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NEWS SUMMARY

GENERAL BUSINESS

Labour faces crucial poll

Labour faces a fifth—and particularly unwelcome—by-election this summer following the death of Mr. Alec Wilson, Labour MP for Hamilton, on Thursday night. The by-election means a contest with the Scottish Nationalist Party, which needs only a 4 per cent. swing to win the seat.

A Nationalist victory in the summer would raise SNP morale and would cast doubts over any plans Mr. Callaghan might have for an autumn General Election.

The SNP candidate is Mrs. Margo MacDonald, senior vice-chairman of the party and former MP for Glasgow Govan. Back Page.

Strikes hit ferry services

Strikes disrupted Easter ferry services on four Channel routes. All sailings between Felixstowe and Rotterdam were cancelled and sympathetic action disrupted Townsend Thoresen's services between Cairn Ryan, Scotland and Larne, Northern Ireland. Sealink services from Dover and Folkestone were also restricted. Back Page.

Pope's Easter broadcast

Pope Paul, who is recovering from flu, was advised not to take part in an Easter procession. Instead, he made a television broadcast. The Vatican celebrated Easter with its usual pomp, but church leaders say that rising costs and falling income have left the church in "substantial poverty".

Bhutto poison plot alleged

Mrs. Nasrat Bhutto, wife of Pakistan's condemned former Prime Minister, accused "high authorities" of plotting to poison her husband in his cell. The army dismissed her allegations as baseless and preposterous. Mr. Bhutto's lawyers are to appeal to-day against the death sentence passed last week after his conviction on murder charges. Back Page.

Millwall closed for two weeks

Millwall's ground, scene of crowd violence during the Cup tie against Ipswich, is to be closed for two weeks by order of the Football Association, who also fined the club £1,500 and ordered safety work. Sale of alcohol at the ground has been banned.

Konuk resigns

Mr. Necat Konuk, Prime Minister of the self-proclaimed Turkish Federated State of Cyprus, resigned yesterday. His resignation follows protests about rising prices. Mr. Rauf Denktaş, Turkish Cypriot leader, will today try to persuade Mr. Konuk to change his mind. Page 2.

Briefly...

Eritrean Liberation Front and Eritrean People's Liberation Front have agreed to join forces to fight Ethiopia for control of Eritrea.

Angola claimed it had repelled a border attack by Zaïre troops. In eastern Zaïre, at least 23 people were reported killed in a train accident. Page 2.

A revised East German history book has accused Walter Ulbricht, former Communist party leader, of "one-sided, subjectivist views".

Safari Rally organisers cut 62 miles from the route of the first section of the route in west Kenya had been washed away.

Maria Estela Peron, Argentina's former President, completed two years in detention on charges of defrauding charities. It is not known when Gen. Peron's widow will be released.

Mr. Michael Brotherton, Tory MP, has accused the Treasury of being unable to explain why it replaced the old pound notes with "nasty little pieces of paper which look like lottery tickets sold in a banana republic".

A Pan-American jumbo jet carrying 78 people landed safely at Tokyo after lightning tore off part of its wing.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Gold Fields Prop.	75 + 5	Free State Geduld	2164 + 1
Ham (H.L.)	130 + 8	Hartbeest	3103 + 1
Johnson-Reid, Tils.	1181 + 31	Northern Mining	30 + 12
Mathews (B.)	147 + 5	Randfontein Exts.	294 + 2
Molins	116 + 4	Union Corp.	275 + 3
Nash (J.F.)	80 + 5	Wick Nigel	501 + 8
Reid (H.)	112 + 6		
Thorpe (F.W.)	60 + 3	Treaz. Slip 09-12	5321 + 1
Wigfall (H.)	285 + 21	Alexanders Discount	225 + 10
Siebens (U.K.)	262 + 18	Ascol. P. Cement	223 + 10
Anglo-American Coal	590 + 3	Bowring (C.T.)	112 + 4
Durham Deep	297 + 24	Cater. Ryder	293 + 10
East Driefontein	697 + 34	Centromed. Estg.	77 + 5
East Rand Prop.	329 + 40	Ever Ready	212 + 12
		Recon. Devel.	238 + 12
		Rank Org.	238 + 12
		Tate and Lyle	194 + 10

Begin faces crisis after U.S. talks end in deadlock

By DAVID LENNON; TEL AVIV, March 24

Mr. Menachem Begin, Israel's Prime Minister, returned home to-day to face a major political crisis following his unsuccessful talks in Washington which have led to the sharpest rift between the U.S. and Israel in recent years.

He faced opposition calls for his resignation, and a thinly-veiled challenge to his position from Mr. Ezer Weizman, the Defence Minister.

On arriving, Mr. Begin said the Washington talks were difficult, but he saw no need to re-evaluate the Israeli policy in the peace negotiations with Egypt. Before leaving the U.S., the Premier said that his talks in Washington had been the toughest three days of his life. But he told Israeli reporters he would make no more concessions to Egypt, Jordan or the U.S.

The storm on the political front contrasted with the relative calm in southern Lebanon where Israel is thinning out its troops as U.N. forces begin to move in. However, Lebanese Christian villagers continue to oppose U.N. entry, while residents of the town of Tyre are protesting at the withdrawal.

Palestinian units North of the Litani River continue to launch rocket attacks against northern Israel.

Responding to T.V. and radio reports that a senior U.S. diplomat said yesterday that he must be replaced if the Egypt-Israel peace negotiations are to succeed, Mr. Begin said: "The Prime Minister of Israel is elected by the people of Israel, not by American officials." This was greeted with applause.

Mr. Shimon Peres, leader of the Labour Party, said: "What is required is a national peace plan rather than a national peace government." The composition of the cabinet was not nearly as important as the policy it pursued, he added.

The Labour Party will call for Mr. Begin to resign on Sunday following his "failure in Washington." It will also table a motion of no confidence in the Knesset (Parliament).

Some members of the Democratic Movement for Change party said they would reconsider membership of the coalition, but preferred to hear Mr. Begin's report to the Cabinet on Sunday before taking a stand. Similar sentiments were also expressed by members of the National Religious Party.

"In Northern Israel Mr. Weizman said Israel expected to start pulling its troops out of the West Bank, the real core of the substantial and open clash between the two countries is Mr. Begin's insistence that U.N. resolution 242 does not apply to the West Bank.

During the day French, Iranian and Swedish troops settled down at points in South Lebanon. The Israeli military command said the area remained quiet except for several bursts of Qassam rocket fire aimed at Israel's border area.

Japan and EEC sign pact on trade and surpluses

By CHARLES SMITH TOKYO, March 24

TWO WEEKS of talks on bilateral trade problems between Japan and the EEC, which ended at one point seemed to be on the verge of breakdown, ended to-night with the issue of a joint communiqué in which Japan made general undertakings about reducing trade and current account surpluses during the coming year.

The agreement, signed after a 24-hour extension of the talks and two all-night negotiating sessions, says that Japan expects its current account surplus during fiscal year 1978 (starting next month), to be reduced by about one-third from the 1977 surplus (now expected to reach \$17bn.).

On bilateral balance with the EEC, the communiqué states that Japan expects the surplus in its favour to be reduced "in the context of the expected reduction of the overall surplus." Signs of a change in the trade towards this reduction are expected in the autumn.

The communiqué also states that Japan will take appropriate steps to increase imports of manufactured goods. The share of manufactures in total imports, now at an abnormally low 20 per cent, is expected to "increase steadily and return within a reasonable period of years to a more normal level."

The communiqué does not mention specific Japanese tariff cuts on items of interest to European exporters. It does, however, promise that Japan will consider the "possibility of effecting advance tariff reductions on certain products after the conclusion of the Geneva round of multi-lateral trade talks."

The revision of the safeguard clause in the General Agreement on Tariffs and Trade treaty—General Agreement on Tariffs and Trade—agreement, known as the Tokyo Round, is a large in the talks. The communiqué commits Japan to "negotiate actively" at the Geneva talks.

But Japan appears to have reserved its position on the Community proposal for a selective tariff reduction on any product which could be invoked against individual countries instead of on a global basis as under the existing GATT treaty.

The communiqué also commits Japan to doubling official foreign exchange reserves by the end of 1978 in response to Community demands for a more liberal aid policy. It says that the Japanese Government will "pursue its basic policy of untying its financial assistance."

Officials, who had committed themselves earlier in the week to obtaining a "substantive and meaningful" statement of Japan's trade policies, maintained to-night that the eight-page communiqué represents a significant advance on any previous Japanese published position on overseas trade policy.

EEC expressions of satisfaction, however, fell well short of the kind of enthusiasm being voiced by U.S. negotiators headed by Mr. Robert Strauss, President Carter's special trade negotiator, at the end of the earlier round of U.S.-Japan trade negotiations last January.

Go-ahead urged for new aircraft

By MICHAEL DOWNE, AEROSPACE CORRESPONDENT

BRITISH AEROSPACE, the nationalised aircraft manufacturer, is to recommend to the Government that the HS-146 70-100 seat four-engine short-haul jet be given the full go-ahead for development and production.

The project, begun in 1973, was suspended when Hawker Siddeley Aviation (now part of British Aerospace) decided that because of soaring costs and market uncertainties the project would not be viable.

The Government, at that time, was preparing to make a fixed-price contract for the HS-146 in the programme, but cancelled the investment when Hawker pulled out.

Since then, the HS-146 has been kept barely ticking over, with only a small amount of Government financial support to keep design work alive.

Vance still hopes for agreement

By DAVID BELL

WASHINGTON, March 24. THE U.S. now has deep and serious differences with Israel on three key points which must be resolved before any further progress can be made towards peace in the Middle East.

Mr. Cyrus Vance, the U.S. Secretary of State, made this clear to-day at a Press conference. But he sought to salvage something from the past three days of the abortive U.S.-Israeli talks, insisting that he has not given up hope that some agreement will eventually be possible.

Mr. Vance several times rejected suggestions that the U.S. is now so exasperated with Mr. Begin's "intransigence" that it is actively seeking his removal from office. This, said the Secretary of State, was "totally false" and the whole Administration retained the "highest respect" for Mr. Begin.

However, he acknowledged that the talks had resulted in "detailed exchanges in the framework of the way between the President and the Prime Minister."

Although the U.S. takes strong issue both with Israeli settlement policy and with Israeli objections to an interim plan for the West Bank, the real core of the substantial and open clash between the two countries is Mr. Begin's insistence that U.N. resolution 242 does not apply to the West Bank.

Insist

Mr. Vance noted that this resolution, which calls on Israel to withdraw from occupied territories in return for lasting peace, has "been the basis of negotiations between the two parties for many years."

The U.S. would insist that the resolution applied "to all fronts" and if there cannot be a resolution of this issue there will be "substantial obstacles ahead."

The Administration has now begun internal consultations about what to do next and has already sent to President Sadat a detailed report of the discussions. Mr. Vance noted that whatever the disagreements between the U.S. and Israel, the U.S. remains "wholly and unequivocally committed to the security of Israel" and there has been no hint that the U.S. might halt military sales.

In contrast with Mr. Vance's public remarks, U.S. officials concede privately that they are pinning most of their hopes on the internal political situation in Israel. They hope that when it becomes clear that relations with Israel's closest ally are now at a genuine impasse, Mr. Begin may come under very strong pressure to change his policy or step down.

Channel vigil

Our Guernsey correspondent reports: On his fact-finding mission to the Channel Islands to-day, Mr. Clinton Davis, being going to the Brest talks with Mr. Beaman, the Minister in charge of the French operation, said that international talks on the oil pollution problem should include discussion of the proposal to keep tankers at least seven miles from the French coast.

He hoped Guernsey's massive effort to beat the slick, coupled with strong north-westerly winds keeping the oil pinned to the Breton coast, would prevent pollution of the English Channel coastline and perhaps spare the Channel Islands beaches.

French face criticism on oil slick fight

By MARK WEBSTER BREST, March 24.

OFFERS of help to fight the massive oil pollution from the grounded tanker Amoco Cadiz are still being received, amid widespread criticism of the French Government's state of readiness for a clean-up programme.

Britain, which has mounted a fleet of vessels to fight the threat of the oil slick to the Channel Islands, has called for international co-operation aimed at preventing similar disasters.

Mr. Stanley Clinton Davis, Under-Secretary for Trade, said to-day in Guernsey, and again in Brest, that international co-operation was needed to enforce and "police" any proposals.

Oil is pouring from the wrecked ship after heavy seas and gales finally tore her in half overnight. Of the 230,000 tons of oil aboard originally, it was suggested that only about 50,000 tons was left.

The latest reported position of the slick was 25 miles south-west of Jersey and Guernsey.

Mr. Clinton Davis assured fishermen that dispersants would be used only in deep waters, nowhere near "ecologically-controlled areas."

Mr. Peter Bougourd, Guernsey Fishermen's Association secretary, was promised the dispersant formula for independent tests.

On the hull of the \$40m. vessel about \$12m-worth is carried by Lloyd's and British insurance companies. A large part of the remaining cost of the hull is understood to be self-insured by Amoco. The oil cargo, worth about \$20m., is believed to be self-insured by Shell, charterers of the ship.

On the pollution aspect, involvement of British insurance is not fully known. Mr. Tim Renton, Conservative MP for Mid-Sussex, and an "outside man" at Lloyd's, told the Commons on Thursday that premiums were placed with Lloyd's by the International Tanker Indemnity Association and that claims against Lloyd's would be about \$15m.

The London Protection and Indemnity Club undertakes pollution insurance for the Amoco Cadiz, but Lloyd's said that Lloyd's underwriters must have accepted a "fairly substantial amount of reinsurance" from the club, which told French authorities that full compensation, up to \$50m., would be paid toward cleaning up the coast.

£ in New York

	March 23	Previous
Stock	\$1,675.1575	\$1,690.2970
3 month	0.02-0.03 prem.	0.06-0.10 prem.
6 month	0.13-0.17 bid	0.05-0.13 prem.
18 month	0.75-0.85 bid	0.55-0.75 bid

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THE M&G GROUP

OVERSEAS NEWS

Giscard to talk to Mitterand and Marchais

BY DAVID WHITE

PARIS, March 24

UNPRECEDENTED SERIES of talks between President Valéry Giscard d'Estaing and leaders of the French Left are scheduled for the few days of political lull before the opening of the new French National Assembly on April 3.

M. Giscard, who has opted to retain the pre-election cabinet of M. Raymond Barre at least until Monday week, is due to meet M. François Mitterand, the Socialist leader, at the Elysée Palace next Tuesday.

M. Georges Marchais, the Communist leader, has also accepted an invitation to talks on Thursday, when the President will also see M. Robert Fabre, head of the junior partner in the French opposition, the left wing Radicals.

The President's gesture towards establishing "reasonable cohabitation" between the government and the Left, which was defeated in the March 19 parliamentary election, began this week with meetings with leading union leaders. M. Giscard held talks yesterday with M. André Bergeron, leader of the moderate Force Ouvrière, and today with M. Edmond Maire, head of the 1m-strong independent left wing union, the CFTD.

M. Maire said he put forward his criticisms of the government's past attitudes and "put the accent on the need for changing economic policy in order to

realise working peoples' objectives."

M. Maire's first-ever session at the Presidential Palace will be followed next week by talks with other unions including the powerful Communist-led CGT which is expected to sound out the government's intentions with regard to raising the minimum wage and future pay agreements.

Somewhat in the shadow of these contacts, M. Giscard will also be seeing leaders of the two government groups, the Gaullist Rassemblement pour la République and the recently formed Union pour la Démocratie Française, grouping centrist parties and the President's Republicans.

The talks with opposition leaders, although described by M. Jean Lecanuet, newly-appointed to the leadership of the UDF, as "the normal functioning of a democracy," marks a significant change in the French political scene.

President Giscard has tried this kind of across-the-board contact before, and failed. In 1974 he invited the opposition leaders, but M. Marchais turned him down and M. Mitterand followed suit. Opposition politicians are wary of M. Giscard's idea of "cohabitation" but it is the first time they have shown themselves willing to enter into a dialogue.

The President's Gaullist partners have shown some reserve

about the meetings, which they obviously fear may serve as a political platform for the participants. But the only open criticism has come from the Socialist Party's left wing faction, which represents about a quarter of the party's members. It objected to having been presented with a fait accompli following M. Mitterand's acceptance.

The political air has changed with the end of the series of electoral battles—presidential, national, municipal and parliamentary.

The Communist daily newspaper L'Humanité today toned down its sarcastic approach to M. Giscard's overtures, publishing a sober account of M. Marchais' presidential rendezvous.

The President has rejected the idea of "anticipating" opposition figures, although there is speculation about the future of the left wing Radicals. Their leader, M. Fabre, who met M. Giscard in 1974, said after the election he considered himself no longer bound by the left's "common programme" and later declared his intention to resign the leadership.

M. Giscard's intentions may be long-term, in a bid to bridge the political divide by the possibility of an association with the socialists at some stage appears to be still in the back of his mind.

"WHEN we see our country selling out its idealism for petrodollars, we should say our country is selling out its idealism for petrodollars. Whatever the evil, we will call it by its honest name." This was the gist of the emotional appeal voiced on Sunday in New York by Rabbi Alexander Schneider, one of the most prominent American Jewish leaders, in introducing Mr. Menachem Begin, the Israeli Prime Minister, to a Jewish audience following his abrasive discussions with President Jimmy Carter.

Mr. Begin responded in traditional kind: "The unity of the Jewish community is the second defence line of the State of Israel. If we stand together, we shall win the day."

But earlier in the day, in his speech to the National Press Club here, Mr. Begin had acknowledged the present difficulties in the American understanding of the Israeli Middle East peace proposals.

What has actually happened this week in Washington is that American understanding of the Israeli position has reached new levels of tolerance. This is reflected at any number of levels.

In their private discussions, President Carter reportedly took long hand notes of what Mr. Begin was saying, read them back to him—presumably mindful of the criticism that he had paid insufficient attention to the nuances of the Israeli Prime Minister in their first session last year—and then, in an exceptional gesture, quoted them in his daily news conference.

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President Carter and Prime Minister Begin (right): A strained relationship.

Successive Israeli attempts to counter the impression President Sadat has made—by Mr. Moshe Dayan, the Israeli Foreign Minister, Mr. Ezer Weizman, the Defence Minister, and now Mr. Begin—have not succeeded. The U.S. television networks, which have covered the Middle East exhaustively since President Sadat's historic Jerusalem visit, have started to focus more on Israeli intransigence than on the Israeli political hierarchy.

When Mr. Walter Cronkite, the dean of the television anchormen, is seen to raise his eyebrows about Israeli policy, particularly the Lebanese occupation, then that has considerable impact on the public at large.

There is general agreement here that Israel forfeited a great opportunity to generate support for its policies by overreacting to the Lebanon. In the immediate wake of the PLO onslaught, there seemed little chance that a horrified Congress would go along with the administration's proposal to sell jet aircraft to Egypt and Saudi Arabia as part of a package including commitments to Israel. If anything, congressional sentiment now seems to be swinging behind such a sale, although approval is still far from certain.

By the same token, the PLO raid, in which nearly 50 civilians died, appeared to have bolstered Israeli security arguments, at the same time making more difficult the administration's attempt to



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By the same token, the PLO raid, in which nearly 50 civilians died, appeared to have bolstered Israeli security arguments, at the same time making more difficult the administration's attempt to

persuade Mr. Begin that his interpretation of UN Resolution 242 was simply untenable. But the invasion of Lebanon changed that, and enabled President Carter to focus solidly on 242 in his talks with Mr. Begin, leaving the two foreign ministers, Mr. Cyrus Vance and Mr. Dayan, to consider withdrawal from Lebanon.

Israel may have disliked the U.S. move in getting the UN Security Council peace-keeping resolution through before Mr. Begin's arrival, but the Prime Minister found little fertile ground to exploit when it came down to talks.

In his Press Club speech, Mr. Begin appeared to acknowledge the shifting sands when he told the Government that the traditional ties between the two peoples and legislatures. He might have tried to make something of the recent resignation of the chief White House liaison with the Jewish community, but the significance of Mr. Mark Siegel's departure has been dwarfed by the outbreak of hostilities in the Middle East.

Mr. Begin does it appear politically profitable as the movement to end the Lebanese occupation, the drumbeat of criticism against Mr. Zbigniew Brzezinski, Mr. Carter's National Security Adviser, on the grounds that he is anti-Jewish.

Middle Eastern hands point to the fact that relations between the U.S. and Israel have reached lower depths—in 1967, for example, when President Dwight D. Eisenhower threatened Israel with sanctions if it did not withdraw from Sinai, or even in 1969 when the publication of what Israelis thought was the infamous Rogers Middle East peace plan.

It is also true that the underlying American commitment to the existence of Israel is not in question, as Mr. Carter himself stressed this week. It would also be unwise to underestimate the still considerable clout that Israeli lobby—with or without the help of Palestinian extremists—can muster here.

But at the same time Israel no longer seems to have the iron guarantee of American support whatever its policies. And when the New York Times coolly approves of the President's approach in his dealings with Mr. Begin, that appears to be a more accurate reflection of the state of play than Rashi Schindler's emotional appeal for old-style solidarity.

India to scrap detention laws

By Chris Stewart

NEW DELHI, March 24

YESTERDAY'S announcement of the Indian Government's intention to scrap the country's preventive detention legislation could, if carried through, leave the authorities without the broad-ranging legal powers in this field for the first time in India's post-independence history.

The move has already drawn a sharp reaction from Mrs. Indira Gandhi, the former Prime Minister, under whose rule the legislation reached its most extreme form. In an interview with the Financial Times last night, she claimed that the Government would continue to arrest people regardless of whether there was preventive detention legislation or not.

Mr. Charan Singh, the Home Affairs Minister, said in his statement to the Lok Sabha (lower house) yesterday that the Government proposed to withdraw the Bill giving it the preventive detention powers which it felt would still be needed once it repealed the maintenance of Internal Security Act. Separate legislation would be brought forward to repeal the Internal Security Act.

The move comes on the first anniversary of the Janata Party's decisive victory over Mrs. Gandhi's Congress Party. The leadership has been under pressure both within and outside the cabinet to redeem its election campaign pledge to repeal the security law.

Mrs. Gandhi refused last night to give an unqualified welcome to the announcement, even though she claims that she was originally against the security laws and preventive detention. If the government's decision is implemented, it could have the administration without any powers of preventive detention beyond the provisions of the Conservation of Foreign

Exchange and Prevention of Smuggling Act. This allows preventive detention on grounds that persons are merely suspected of an offence under the act.

Mr. Singh has left no one in doubt that he believes in maintaining law and order and combating violence over the coming weeks. Mr. Singh pointedly appealed to "all sections of the house"—by which he was taken to refer especially to Mrs. Gandhi's new Congress (I) group—to cooperate in "stabilising the activities of groups which may be inimical to national security and public order."

Senior members of the Congress (I) in the Uttar Pradesh assembly were among 500 people held in the State capital, Lucknow, last Friday after demonstrators clashed. Violence broke out earlier, and the State assembly when it began business.

On Sunday a demonstration by 1,500 Congress (I) supporters outside the New Delhi residence of Mr. Morarji Desai, the Prime Minister, led to 200 arrests.

Mr. Singh claims that a "political party"—he did not name it—had drawn up a plan to create violence. The incident, outside the Prime Minister's house had been part of the programme, he said.

Before the Security Act became law in 1971 and subsequent amendments gave it its notoriety, successive Indian Governments exercised detention powers under the Preventive Detention Act.

Yesterday's announcement that the Government was "scrapping" its powers of detention highlights the strong feeling which exists in India about the emergency under which Mrs. Gandhi governed in her last 21 months in office. Mr. Singh said that with the "traumatic experiences" of it fresh in people's minds, there was "understandable apprehension" in the public mind that the executive could misuse the preventive detention powers notwithstanding the safeguards built into the Bill.

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Schmidt says W. Germany may fall short of 3.5% growth target

BY JONATHAN CARR

BONN, March 24

CHANCELLOR HELMUT Schmidt has expressed concern that West Germany may not after all be able to reach its target of 3.5 per cent. real economic growth this year.

This comment, in an interview published today, seems bound to increase speculation that Bonn will have to consider further action to boost domestic demand.

In his interview with the weekly magazine Quark, Herr Schmidt did not say, as indeed was not asked—what policy consequences he might be drawing from the more gloomy outlook. He said in reply to a question that international currency unrest had become more severe since the Government's economic report for 1978 was drawn up. Because of this there was cause for concern that the economic growth aim set out there might not after all be achieved.

So far Government ministers have stated that while the 3.5 per cent. target is an ambitious one it is not a "hard" target—despite the dollar's fall.

Early this month Herr Schmidt himself noted that in the last quarter of 1977 the West German economy had grown by 6 per cent. in real terms—and that he had pointed this out to President Jimmy Carter.

However, in a speech to the Bundestag, Herr Schmidt also warned of the danger of the latest rise in the Deutsche Mark for German exporters and for investment at home.

It is felt highly unlikely here that any economic boost would be decided unilaterally by the West Germans in the near future.

The intention remains to wait until at least the first quarter economic data are available. If all is well, the growth pointers are unsatisfactory, then Bonn will seek to agree on a growth strategy in concert with its allies.

This will please Mr. James Callaghan, the British Prime Minister, who was urging concerted action on Herr Schmidt in Bonn earlier this month. And it would be of advantage to Herr Schmidt himself—since the action could be given formal backing in Bonn in July at the Western economic summit which the Chancellor will be hosting.

The key to such a package remains in the hands of the Germans and the Americans. One suggestion aired here is of a possible trade-off between domestic tax concessions by Bonn in return for more forceful action by the U.S. to help finance its current account deficit, seen here as the key cause of the dollar's weakness.

There will be an opportunity for high-level discussion at the end of May. Herr Schmidt will then be travelling to Washington to take part in the NATO summit meeting and this would clearly give him the chance for economic talks with President Carter.

Israel's traditional allies on Capitol Hill began openly criticising what they perceived as Israeli intransigence in the Middle East peace discussion and saw overreaction in the invasion of Lebanon.

The New York Times, long a staunch defender of Israel, sounded a new note of remonstrance in an editorial this morning. It was not too much, the newspaper wrote, to expect Israel to return captured terri-

tor in order to assure itself of recognition, security and peace. Late last year, the Times had rather gently suggested that American Jews should not blindly follow whatever policies were espoused by the Israeli government, and had been sharply taken to task by its readers. The response may be appreciably less this time.

At a policy level, the Carter Administration has consciously decided to give both Mr. Begin and the Israeli political hierarchy a lot to think about. There is great interest here in reports from Israel of moves to create some form of government of national unity, the effect of which would clearly be to vitiate Mr. Begin's authority. The U.S. cannot be seen openly to be conspiring at undermining Mr. Begin's power. But to the extent that his religious and national beliefs towards the retention of Israeli sovereignty of "Judea and Samaria," as he calls the West Bank, now constitute a stumbling block to peace then ways to circumvent them may have to be found.

But perhaps more intriguingly it is clear that American public opinion (Jewish and otherwise) is shifting more rapidly in its attitudes towards the Middle East than one would have thought possible. For the first time, the Arab nations have thrown up, in the person of President Anwar Sadat of Egypt, a leader whom Americans like and, apparently

rendered "the old Lebanese-PLO agreement" defunct. This is a reference to the Cairo Accord of 1969 which was drawn up under pan-Arab auspices and its subsequent amendments.

Under the Cairo Accord, the Palestinians were allowed two basic freedoms: to establish bases in the south of Lebanon within a week.

Following Dr. Hosni's visit to Damascus a high-ranking delegation from the Palestinian Liberation Organisation (PLO) led by Mr. Farouk Kaddoumi, chief of its political department and the equivalent of the movement's foreign minister, went there for urgent talks.

The PLO has agreed in principle to the deployment of the UN Interim Force in Lebanon (UNIFIL) and as a result of contacts with its commanders has appointed 12 of its own to act as a liaison with the UNIFIL.

It has, however, shown reservations about the location of the international peace-keeping force. The guerrilla movement has been insisting that UNIFIL troops should stick close to the Lebanese border with Israel and should not be stationed on the Litani River, the national frontier of demarcation between the Syrians and Israelis in the south of the country.

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New Angola-Zaire clash

ANGOLA SAID TO-day it had beaten back an air and ground attack by Zaire in a new flare-up of tension between the two countries.

Luanda Radio, monitored in London, said Zaire forces crossed the border four days ago and occupied the Angolan village of Calanda, which lies in the Casimbo salient jutting into Zaire and Zambia.

The invaders were later repelled by the Angolan army, the radio added, quoting the Defence Ministry. It said the attack was carried out by a "strong Zairean military contingent backed by planes and helicopters."

Relations between the two countries have been hostile since Angola gained independence from Portugal in 1975.

Angola three times last year charged Zaire with bombing

border villages. Zaire has, in turn, accused Angola of staging cross-border raids.

The Angolan news agency Angola quoted the country's Defence Ministry as saying the latest Zaire attack was an unsuccessful attempt to prevent the Angolan army from "celebrating the third anniversary of independence."

Last February, Zaire complained to the Organisation of African Unity (OAU) and the UN that Angola was preparing for war and subversion against it.

The claim was denied by President Agostinho Neto of Angola who called for renewed talks between the two countries to discuss problems affecting their relations.

Reuters

PLO guerillas pressed to keep ceasefire

BY HSAN HIJAZI

THE RETREATING Palestinian guerillas in Lebanon are coming under growing pressure to comply with the UN-imposed ceasefire in the south and to respect the presence of UN troops—more of whose number moved into the battle zones today.

Yesterday Dr. Selim al-Hosni, the Lebanese Prime Minister, went to Damascus to enlist Syria's support for Lebanese plan aimed at strengthening the country's national authority and sovereignty. The programme, as reported in the Press here, would seek to establish tighter restrictions on the Palestinians.

Lebanon is said to have asked Damascus to ensure that the Palestinians will not engage in any armed activity out of the areas in Lebanon under the control of Syrian troops. Numbering an estimated 30,000, they constitute the bulk of the joint Arab peace-keeping force in the Lebanon—and have cautiously kept well clear of the fighting in the south of Lebanon.

In the strongest statement that he has delivered since formally taking office 18 months ago, President Elias Sarkis last night declared his government's determination to check all outside intervention in Lebanon's affairs and to establish Government Sovereignty "on every inch of our territory."

Speaking at a meeting of the Lebanese parliament, Mr. Sarkis said the Government would use everything at its disposal, including the joint Arab peace-keeping force to fulfil this objective.

It is believed that his statement was aimed primarily at the Palestinian guerillas. Mr. Sarkis hopes to have a 4,000-man reconstituted Lebanese Army mobilised and ready to go into

the south of Lebanon within a week.

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Dr. Sakharov warned over anti-PLO demonstration

BY DAVID SATTOR

MOSCOW, March 24. THE PRESSURE on Dr. Andrei Sakharov, the Nobel laureate and leading dissident, has increased with a warning from a Moscow deputy Chief Prosecutor that if he participates in any further public demonstrations he will face criminal prosecution.

The warning came during an interview yesterday with Soviet Prosecutor V. V. Nedoverov to his office. Mr. Nedoverov told the dissident leader that by leading a demonstration on March 12 against Soviet support for the Palestine Liberation Organisation (PLO), Dr. Sakharov had provoked others to break the law.

Dr. Sakharov said the prosecutor told him his action bordered on hooliganism but as "an act of humanitarianism" no action would be taken against him.

Greek shipowners to ask for European help

BY OUR OWN CORRESPONDENT

ATHENS, March 24

GREEK shipowners are seeking the co-operation of their European colleagues to deal with the slump in the dry cargo freight market.

The problem was discussed during a lengthy meeting convened by the Union of Greek Shipowners last night and attended by about 300 Greek shipowners.

Informal sources said the shipowners considered a number of proposals, including that put forward by Mr. Anthony Chandra, president of the Union of Greek Shipowners, suggesting the voluntary laying-up of surplus capacity during the crisis.

The Chandra proposal suggests that each owner lay up 25 per cent. of capacity in ships of over 4,500 gross tons. This would be relaxed gradually as demand improves.

The informed sources said the shipowners plan to ask the Import Export Bank of Japan and the Japanese Government to grant 80 per cent. of tonnage and if

other European shipowners agreed to co-operate.

The executive committee of the Union of Greek Shipowners will discuss the subject again next week and a final decision will be taken at a plenary session of the union, probably early next month, the sources said.

Greek shipowners own some 4,300 ships totalling 49.5m. gross tons.

Japan's refusal to grant a two-year moratorium on instalment payments for about 130 ships totalling 2.6m. tons ordered from Japanese shipyards in recent years was not discussed at yesterday's meeting. The request for the payments delay was made inevitable by the slump in the freight market and the change of parity between the Yen and the U.S. dollar.

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HOME NEWS

Sir Idwal accuses officials of deceit

Financial Times Reporter

THE Ombudsman, Sir Idwalugh, has accused the Department of Health and Social Security of "deceitful" and "deplorable" behaviour when it withheld pension entitlements from disabled ex-officers.

Sir Idwal said it was only a minor army colonel's pension in complaining that had brought the "full extent of the wrong to light."

His investigation showed that the Department had failed to pay 25 disabled ex-officers part of their pensions to which they were entitled because of their rank.

In 1964, the then Ministry of Pensions was told that it was not paying full pensions to certain individuals, but civil servants deliberately decided to ignore legal advice to pay up.

They agreed that they would not pay the full amounts to an ex-officer queried his pension, and, in that event, they would not pay the extra payments only from 1964—unless a pensioner asked for full retrospective back to 1949.

The ex-officers concerned have now received their pension arrears in full plus compensation. Mr. David Ennis, Social Services Secretary, has written personally to the colonel who first took up the case to apologise.

Electricity supply study by MPs

By David Churchill

THE WAY the electricity supply industry should be organised in the future is to be considered by a select committee of MPs after the Easter Parliamentary recess. The study, by the Select Committee on Nationalised Industries, is likely to be conducted before the Government publishes its proposed White Paper and legislation on the industry. This means that the select committee will be holding a series of pre-draft hearings on the Bill. A series of such preliminary hearings is not part of the recent Parliamentary system, but is being considered by the select committee on procedure.

The nationalised industries committee inquiry will be particularly concerned with recommendations of the Plowden report, published more than two years ago.

This recommended that the industry should be brought under a single body responsible to the Secretary of State, but that operating units should have as much power as possible devolved on them.

The Government had hoped to publish a Bill shortly outlining the structure changes it proposed for the industry.

The select committee investigation will also consider future demand for electricity and the programme for ordering new power stations. The tariffs charged to domestic consumers will also be investigated. Members of sub-committee B, which is carrying out the investigation, are: Mr. Edwin Vallentyne, chairman; Mr. Russell Kerr, Sir Donald Lavery; Mr. Michael Marshall; Mr. Tim Renton; Mr. David Uddart; and Mr. Mike Thomas.

MP attacks Lloyd's over Italian claim 'pressure'

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT

ALLEGATIONS have been made in the Commons by Mr. Jonathan Aitken, Conservative MP for Thanet East, that pressure was brought to bear on Lloyd's underwriters to settle an Italian insurance claim for \$500,000 even though there was strong evidence that the claim was fraudulent.

Since Mr. Aitken decided to raise the matter in the House, the Committee of Lloyd's has decided to mount a full internal investigation into the allegation of undue pressure.

Mr. Stanley Clinton-Davis, Under-Secretary for Trade, disclosed that the police were making their own investigation into the affair.

Mr. Aitken was severely critical of the Committee of Lloyd's, which he said had not taken the sides and refused to take action. He called for stricter self-policing at Lloyd's.

"It-considered"

Speaking in the House on Thursday he referred to what is known as the Savona claim. He said that the actions of certain individuals in the affair gave rise to grave doubts about the pattern of other Italian insurance claims.

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paid out by Lloyd's in recent years.

For the Government, Mr. Clinton Davis criticised Mr. Aitken for making a "premature and ill-considered" statement which might prejudice the investigations.

He had been told that the underwriters were aware of the report alleging fraud but had decided to settle the claim on legal advice. If that were so, then there were no grounds for criticising the committee of Lloyd's.

Mr. Aitken told the House that in November 1974 the cargo ship Savona, built in Italy, was loaded with 301 Fiat cars supposedly damaged by a fire on board.

Mr. Bob Bishop, of the loss adjusters Graham, Miller went to Italy to investigate.

Mr. Aitken said he had produced "devastating" reports to show that a serious fraud had taken place. According to him the 301 cars had been sold to a Signor Dotoli, a Fiat dealer in Naples, for only 15 per cent. of the new value, and later resold by him at 80 per cent. of their value brand new.

At that stage said Mr. Aitken, the committee had in front of it evidence that a serious fraud had

been committed and that the reinsurance claim should not be paid. But, he said, the sad answer was that the chairman and committee "did absolutely nothing."

Last week he had seen Mr. Findlay, present chairman of Lloyd's, with Sir Havelock and Mr. Gray, the deputy chairman. Their answer was that they had not intervened because it was a purely commercial matter, and Willis Faber and Dumas were satisfied that it was a bona fide claim.

Mr. Aitken emphasised that he was not suggesting that the committee had acted improperly. But it should have reflected that the only thing necessary for the triumph of evil was for good men to do nothing.

John Moore writes: It is understood that a compromise settlement was reached on the claims about a week ago, whereby the London insurance community, including Lloyd's, settled half the total claims of \$1m. Lloyd's proportion of that settlement was \$155,750.

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The Bishop Report said that Sig. Dotoli was aided and abetted in the "nefarious enterprise" by certain senior executives of the Fiat group, said Mr. Aitken.

The cars were insured by SIAT, then the Fiat-controlled marine insurance company, and reinsured on the London market.

Pearson, Webb Springbett, the insurance brokers who were handling the SIAT claim against the British insurance market, decided not to press the claim.

But they were then dismissed and replaced by a larger firm of Lloyd's brokers, Willis Faber and Dumas, who began dealing the London underwriters to settle.

Mr. John Mathew, QC, produced an opinion for Pearson Webb Springbett that a full inquiry by a prosecuting authority would probably produce evidence to sustain a provable charge of fraud. This opinion was sent to Sir Havelock Hudson, at that time chairman of Lloyd's.

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Midland loans to S. Africa ended

By Michael Blandon

MIDLAND BANK stopped making loans to the South African Government about two years ago, Lord Armstrong, the chairman, reports in his annual statement to shareholders.

The announcement comes after persistent pressure on Midland from anti-apartheid groups and confirms the policy of not providing direct support for the South African Government and its departments.

Lord Armstrong says that such new arrangements as the bank made for borrowers within South Africa were now confined to the finance of identifiable trade with the U.K.

However, this policy did not envisage "our ceasing to grant conventional banking support to those among our commercial customers who have South African interests."

The Midland statement, published on Thursday, came as Barclays Bank was subjected to pressure from Nigeria. The government in Lagos announced the withdrawal of public funds from Barclays Bank of Nigeria in response to the bank's policy on South Africa.

The Nigerian

HOME NEWS

Concern in tractor component industry

By Arthur Smith, Midlands Correspondent

CONCERN IS mounting in the tractor component industry about the growing list of redundancies and short-time working in response to flagging world demand.

Garringtons, the GKN forgings subsidiary, is the latest to announce that it is seeking voluntary redundancies among its 3,600 workforce. Birmid Qualeast has already called for more than 300 redundancies at Darthmouth Auto Castings, and another 600 Birmid workers are currently on short-time.

British Leyland's Beas foundry, at Tipton, as an important supplier to the tractor industry, has had to implement extensive short-time working for its 1,300 employees.

The main problem confronting suppliers is how deep and prolonged the recession will be. The U.K., as the leading manufacturer of tractors in Western Europe, is an obvious victim of the downturn from earlier record world sales.

Ford at Basildon, Essex, which accounts for more than one-third of the multinational's sales worldwide, laid off 850 production workers before the Easter break. Massey Ferguson will next week lay off nearly all 4,800 workers at its two Coventry plants.

Anxiety

The Canadian-based multinational will extend the shut-down into the following week for the majority of its 1,600 machine shop employees. Massey Ferguson has not ruled out the possibility of redundancies, but has promised trade unions a report on market prospects next month.

While manufacturers are treating the fall in demand as fairly routine, some component suppliers are concerned that it may prove more significant. "The drop in orders is sufficient to confront suppliers with a pretty traumatic situation," one senior director claimed last night.

Component suppliers are reviewing their orders with anxiety. GKN is obviously vulnerable. Locom Engineering, a GKN clutch subsidiary at Sheffield, is scheduled to put around 250 workers on to a three-day week from April 3. GKN-Sanket, a supplier of tractor cabs and wheels, is monitoring sales closely.

Government to pay £50m. more for Drax 'B'

Financial Times Reporter

THE GOVERNMENT is to contribute £50m. towards the cost of building the new Drax 'B' power station in Yorkshire because of its request to the Central Electricity Generating Board to accelerate construction.

This was revealed in the Nuclear Safeguards and Electricity (Finance) Bill published last Thursday. The Bill puts forward proposals for inspection procedures at civil nuclear installations.

Ocean Transport plans to cut fleet this year

By IAN HARGREAVES, SHIPPING CORRESPONDENT

OCEAN TRANSPORT and Trading, one of Britain's big four shipping companies, may have to cut its active fleet by up to ten ships and reduce the number of its officers by over 5 per cent. this year as a result of the shipping recession.

In a letter to seafarers, Mr. William Menzies-Wilson, managing director of Ocean Fleets, says the Liverpool-based company had hoped to avoid cuts, as Ocean's series of new, larger and faster ships came on stream in the coming months, by obtaining outside ship management contracts.

"We are still confident that we will obtain ship management contracts—but not as quickly as we had originally hoped," he says.

The company says its fleet reduction, the extent of which is still not fully determined, will be made either by laying up ships or selling them.

The group has already sold three liner vessels and one bulk carrier this year. Two of the liners, the *Adriatic* and the *Eumaeus*, were 25 years old, but the 36,000 deadweight tonnage bulk carrier, *Antenor*, is only six years old.

Charter rates

Mr. Menzies-Wilson says the recession in shipping can be expected to last for some time, but he is confident that Ocean's smaller, more modern fleet will be "efficient and fully competitive."

He says that it is vital that the group operate only viable ships. This means it should continue to charter in some tonnage, even though it is getting rid of its own vessels, because charter rates are so low.

These chartered vessels will be used in some cases to prove new trades or to bridge gaps until Ocean's own tonnage is available.

The effect on Ocean's staff is likely to mean redundancy for 100 officers and about 200 Nigerian and Chinese ratings. Where possible, the reduction will be through voluntary retirement.

No reduction is planned in the cadet officer training programme, nor are redundancies among junior officers expected.

British Caledonian to offer new cheap excursions from April

By MICHAEL DUNNE, AEROSPACE CORRESPONDENT

BIG SAVINGS on the normal tourist return air fare between London (Gatwick) and Edinburgh, Glasgow and Manchester will be possible with new cheap excursion rates to be introduced on these routes by British Caledonian from April 1.

The new fare will cut nearly £22 of the normal return fare on the Glasgow/Edinburgh routes, and £16 off the Manchester fare, the airline says.

At new rates, approved by the Civil Aviation Authority, are called Advanced Purchase Excursion (APEX) fares, and are expected to attract some 9,000 extra passengers between April and November.

The fares will be: £44.30

return, London-Edinburgh and London-Glasgow, and £32.60 between London and Manchester. They are available only for round-trips and tickets must be paid for at least one month before the day of travel.

The interval between outward and return flights must be at least six nights unless it includes a Saturday night. ApeX can therefore be used for week-ends away.

The new rates will compare with the British Airways "no reservations" Shuttle fares between London (Heathrow) and Glasgow/Edinburgh of £18.50 (single, equivalent to £37 return). These Shuttle rates are available only for instant purchase immediately before flight.

The normal tourist return fares

on the main trunk routes to Edinburgh and Glasgow are £68 from April 1, or £80 to Belfast. British Airways is also cutting up to £35 off the cost of some of its early-season package holidays to Rhodes, Tangier, Alicante, Tenerife and Las Palmas. The cuts on holidays in the British Airways Sovereign and Enterprise brochures apply only to holidays taken during April.

The cuts will mean that a seven-day bed-and-breakfast holiday in Rhodes will cost £78 (a £35 saving), in Tangier £74 (a £20 saving), while a 14-day holiday in Alicante with full board will cost £95, a reduction of £15. These special offers are available from Gatwick and Manchester.

The normal tourist return fares

bitterly critical of the U.K. system.

So far, the U.K. system appears to be holding its own in the comparative trials against the U.S. system, and the U.K. team, including representatives of Plessey and the authority, are confident that, given a fair hearing by the ICAO, the Doppler system will prevail.

The size of the potential world market for the new equipment is estimated at more than £1bn over the next ten years. Which-ever system is chosen, all the world's major manufacturers will be entitled to make it, since under the ICAO rules there will be no patents on the device.

Plessey backed on landing aid

By MICHAEL DUNNE

THE U.K. Government fully supports the efforts of the Civil Aviation Authority and Plessey Company in trying to win the international competition for a new landing aid for civil airfields.

"It will also give all possible help to ensure its production in the quantities needed to meet world demand if chosen as the world's next aircraft landing system."

Mr. Alan Williams, Minister of State, Industry, told the Commons on Thursday that the "technical superiority" of the British system, called Doppler Microwave Landing System (DWLS),

was now being tested over that of the U.S. (called Time Reference Scanning Beam, or TRSB), in a series of trials at major world airports.

"There is no substance in the allegation that the U.K. could not supply the Doppler system in adequate quantities. I can give an assurance that the Government stands firmly behind this project."

The rival systems are to be judged by an expert All-Weather Operations Panel of the International Civil Aviation Organisation (the aviation technical agency of the UN) at a special Montreal conference this spring. The U.S. has however, been

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Concern over air insurance losses

FINANCIAL TIMES REPORTER

CONCERN OVER losses in the aviation insurance market, stemming from increased competition for business and a resulting over-capacity situation in the market, is expressed by the London Aviation Insurance Offices' Association.

Mr. Graham Willett, association chairman, points out in his annual report that this competition and over-capacity have

resulted in a complete change in the market situation, from profit to loss.

The Tenerife disaster last year, in which 578 people were killed when two KLM and Pan American Jumbo jets were in collision on the runway at Tenerife airport, enabled insurers, for a time, to negotiate justifiable increases in premium rates. But the improved conditions hoped for from this "have been entirely dissipated."

The tendency for airlines to buy, for economic reasons, "wide-bodied" aircraft such as Boeing 747 Jumbo jets, presented insurance underwriters with the problem of greater risks concentrated in fewer aircraft.

Some of these aircraft are insured for \$50m. each, and can carry nearly 800 passengers. "A major catastrophe involving one of these aircraft could cost a substantial proportion of world-wide premium income."

It coincides too with devolution of most Welsh agricultural responsibilities from the Ministry of Agriculture to the Secretary of State for Wales, from April 1.

The FUW began in Carmarthenshire in 1955 as a 12-man breakaway from the National Farmers Union of England and Wales as a result of dissatisfaction at the attention Welsh farming problems were receiving from the English-dominated NFU. Scotland and N. Ireland both have their own separate unions.

At the annual meeting of the Property Unit Trust for Public and General Superannuation Schemes, Mr. Baker noted the recent sharp rise in commercial property prices and warned: "There are signs of over-heating in the property market and with a background of economic uncertainty and some weakness in the stock markets, we are being extremely cautious about making further investments at the present time."

This cautious view is shared by other fund managers, and Mr. Baker commented that "There are indications that several major investing institutions are holding off from the market at current price levels."

Mr. Baker echoes a number of recent warnings about property price rises since last autumn. Leading London estate agents, Edward Erdman and Co., recently came out with the view that "Current yield levels represent too much of a gamble on future growth and a lot of funds are beginning to realise it."

In the February Poll of Property Market Indicators, produced by the Royal Institution of Chartered Surveyors in conjunction with the Financial Times and published earlier this month, RICS member firms reported an increasing reluctance by institutional investors to chase good quality property yields down any further.

Prime office yields have already fallen from over 8½ per cent last summer to around 5½ per cent now, and prime industrial yields now stand at an historical "low" of under 7 per cent.

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Planning laws revision urged

By Our Property Correspondent

A RADICAL revision of Britain's planning laws is called for in the latest Conservative Political Centre review.

Mr. Sydney Chapman, former Conservative MP, architect and town planner, says that planning policies must be changed to "avoid the orgy of ruin, delay and dissatisfaction that has brought us to the present crisis of confidence between the planners and the people they plan for."

The Political Centre publication, *Town and Countryside: Future Planning Policies for Britain*, outlines a three-point strategy to speed the processing of the 400,000 planning applications made in Britain every year.

Firstly, Mr. Chapman calls for an end to ambiguous distinctions between county and district council planning responsibilities.

Secondly, he says that the number of official bodies that planning authorities must consult should be reduced.

Thirdly, he believes that, although "planning controls, dependent as they are in so many cases upon interpretations of taste, are inherently unpopular," unpopularity need not spill over into demonstrations and disorderly public inquiries.

Greater mutual trust between planning committees and their professional staffs would help to overcome these problems, he says.

With over 40 per cent of our countryside living on less than 7 per cent of our land... we need a national planning strategy that is both sensible and flexible.

Town and Countryside: Future Planning Policies for Britain, Conservative Political Centre, 60p

Property decline confirmed

By John Brennan, Property Correspondent

THE DEPARTMENT of Trade and Industry's latest sample survey of land and building sales puts an official seal of recognition on the 1973 property crash.

The survey of sales in England and Wales notes the decline in the non-residential property market after October 1973, and shows total property sales falling from 1973's £12,000m. to £10,000m. in 1974. This is a fall of 17 per cent, and a reversal of the 1973 rise of 13,000m. in 1973 and £13,500m. in 1974, and the Department cautiously comments that "sales in 1977 are unlikely to have been lower than in 1976."

Analysis of the market by size shows that sales of non-residential property worth over £500,000, which slumped after October 1973, fell to their lowest level in the first quarter of 1976. A subsequent steep increase in sales activity in this sector marks the recovery from the trough of the property market slump, a recovery that faltered early in 1977 under pressure of higher interest rates.

In the residential property market, the value of sales has risen in each survey month since October 1973. But the number of sales fell for two years after 1973, except in the south-east of Britain, excluding Greater London. The volume of house sales has risen in each survey month since October 1973, and is again up to November 1976.

Over-heating

Mr. Cecil Baker, chairman of the £300m. Property Unit Trusts Group, warned about "signs of over-heating in the property market."

At the annual meeting of the Property Unit Trust for Public and General Superannuation Schemes, Mr. Baker noted the recent sharp rise in commercial property prices and warned: "There are signs of over-heating in the property market and with a background of economic uncertainty and some weakness in the stock markets, we are being extremely cautious about making further investments at the present time."

This cautious view is shared by other fund managers, and Mr. Baker commented that "There are indications that several major investing institutions are holding off from the market at current price levels."

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LABOUR NEWS

BARBED WIRE REMINDER OF MASS DEMONSTRATIONS
Air of melancholy hangs over Grunwick factory

By PAULINE CLARK, LABOUR STAFF

AN EERIE melancholy hangs over the forecourts of the Grunwick film processing factory in Willesden, North London.

Scene last year of one of the biggest trade union demonstrations in this country and fulcrum of a national debate on industrial relations, the factory gates in Chapter Road are now marked with sparse relics of last summer's turbulence.

Coils of barbed wire remain, but the gates are open, guarded by a single policeman.

A handful of pickets are there most mornings but their "Official Picket" banner disintegrated in the rain a month ago.

Other trade union supporters turn up sometimes to boost their spirits. A fortnight ago, there was a 70-strong turnout organised by their union, the Association of Professional Executive, Clerical and Computer Staff.

The regular supporter is a retired plumber and former branch secretary of the Electrical and Plumbing Trades Union. Mr. Harry Toft, 70, arrived almost every morning by 8.15 after a one hour and ten minutes walk from his home in Hampstead because he believes in the importance of the union recognition case at Grunwick to the trade union movement.

The Grunwick bus which provoked crowds last summer passes unheeded and many Grunwick workers now walk in—albeit briskly—to avoid being challenged by pickets. Generally, the pickets do not bother to stop work, but a 19-month battle for union recognition and reinstatement for the remaining 57 strikers, the pickets are determined not to be seen to have

given up, even though many believe that their case is lost.

Leading personalities in the Grunwick strike now privately admit that it is likely to end before this summer.

The dispute has cost APEX about £150,000 so far—a sum unlikely to be shrugged off by delegates of the union's forthcoming conference in May.

The Law Lords' decision last December to uphold an Appeal Court ruling invalidating a recommendation on union recognition at the plant by the Advisory Conciliation and Arbitration Service, was certainly the biggest blow to the trade union cause at Grunwick.

Only one of three main objectives of the strike has been achieved—the improvement of pay and conditions of employment.

The second aim—union recognition—depends on whether ACAS succeeds in arranging a second ballot of workers in the company and whether Grunwick workers vote on strike, who have petitioned against the union in the past, want to be represented.

Mr. Roy Grantham, general secretary of APEX, says his aim is "to ensure that the law is properly applied." Under the Employment Protection Act, ACAS is obliged to attempt mediation, but communications with the company since December have failed to produce results.

Grantham says that, while ACAS will want to make doubly sure this time that any further recommendation is not challenged by the company, there is also "clearly still a lack of desire by the company to have its workers balloted."

The last hope of reinstatement for dismissed strikers was probably lost some time ago, when trade union blacking of essential supplies to Grunwick was not effective. Even pickets still at the gates agree there is little hope of reinstatement.

Mr. Vipin Magdani and Mr. Johnny Patel, who were at the gates this week will certainly remain until May 14, when a conference on Grunwick is planned to include leading supporters of last summer's demonstrations such as Mr. Arthur Scargill of the National Union of Mineworkers, and APEX and other union leaders.

Grantham believes in retrospect that the Court of Inquiry into the dispute should have sat long before the two sides became so entrenched in their respective positions, but Mr. Magdani and Mr. Patel believe that ACAS should never have been brought in, because it prolonged the dispute and gave the employers a chance to delay a solution.

They believe it has been worthwhile if only because it has led to attempts by MPs—such as Mr. Ted Fletcher and Mr. Iain Mikardo, with their respective private members' Bills seeking amendments to the Employment Protection Act—to close the loopholes in the law which destroyed the Grunwick case.

The current Garners' steam-houses dispute in London, where workers have been dismissed for striking over a union recognition issue, is only one of probably many other cases in the future which they expect to see the repercussions of the Grunwick affair.

Strike would lay off thousands of miners

By ALAN PIKE, LABOUR CORRESPONDENT

MANY THOUSANDS of Yorkshire miners will be laid off after Easter if the winding engine men agreed with a strike over incentive payments.

The winding engine men operate the machinery which carries miners and coal. A strike would cause immediate and widespread lay-offs among underground workers and would even threaten to stop work on the surface, with workers being sent home.

Leaders of colliery winders in North Yorkshire are balloting their members on whether they wish to take strike action. But men in the Doncaster area are threatening to stop work from this week-end. The National Coal Board says that if this happens there will be an immediate impact on maintenance work, and coal production would be hit from Wednesday.

If the strikers halt production

at all ten Doncaster pits it would cost production of 170,000 tons of coal—worth £4.25m.—per week.

The engine men are dissatisfied with their 40 per cent bonuses which they have been allocated under the recently introduced incentive scheme.

Winders' officials and National Union of Mineworkers leaders in Yorkshire have failed to resolve the dispute.

Mr. Jack Wood, NCB Doncaster area director, has warned that a strike by the winding men would be "seriously damaging" and would affect wages and bonuses of 17,000 men in the Doncaster area alone.

Jobs at a new mine being developed at Kinsley, near Rensworth, are to be offered to 550 men at Rockingham Colliery, near Barnsley, which the NCB is "holding down."

New talks to be held on dons' pay anomaly

By OUR LABOUR CORRESPONDENT

THE GOVERNMENT is asking the university pay negotiating committee to consider demands by lecturers for early correction of a salary anomaly dating back to 1974.

Members of the Association of University Teachers have said they will not mark first degree examination papers this summer unless the anomaly is either rectified by October or referred to arbitration.

The Government has agreed to correct the anomaly, which arises from an arbitration award not implemented because of pay policy, but is proposing to eliminate the anomaly over three years.

Mrs. Shirley Williams, Education Secretary, acknowledged when announcing settlement of a 9.3 per cent award for university academic staff in the present pay round, that the lecturers were pressing for settlement of the anomaly within "a considerably shorter period."

The Government, she said, was inviting the negotiating committee to consider this further.

Delegates to the conferences of the largest teaching unions will this weekend consider lifting their ban on voluntary duties following settlement of the schoolteachers' pay claim in line with the Government's 10 per cent guidelines.

The award approved by the Government will bring increases of between 55 and 57 per week. The National Union of Teachers appears certain to lift sanctions, but the National Association of Schoolmasters Union of Women Teachers may decide to continue them until local authority.

Publishers call for settlement

THE Newspaper Publishers' Association is seeking assurances from the Federation of London Wholesale Newspaper Distributors that there will be a speedy end to a dispute disrupting distribution in the capital.

The dispute, by members of the Society of Graphical and Allied Trades over consolidation of supplements into a pay increase, has prevented distribution of millions of copies of national newspapers and magazines. Its latest effect was on Thursday, when no copies of the Daily Express were circulated in

Building bonuses 'bring more accidents'

By Our Labour Staff

ACCIDENTS in the construction industry are a result of raising workers' bonuses instead of basic wages, according to Mr. George Henderson, national secretary of the Transport and General Workers' Union construction group.

His claim followed the prediction by Mr. James Hamner, chief inspector of factories, that 2,000 building workers might be killed and 400,000 seriously injured in accidents in the next ten years if safety standards were not improved.

Mr. Henderson said the health and safety report on the construction industry, read like a "science-fiction horror story," but came as no surprise. The union had consistently claimed "that increases in bonuses instead of increases in the basic wage only lead to increases in accidents."

Agreement had been reached on a new working rule on safety representatives and committees for the industry, he said, in conjunction with the TUC, safety courses would start in April in all parts of the country.

He called on employers to release union members on pay to attend the courses.

Questions answered about your Will



Q: In these days it is hard to estimate what I may have to leave when the

Little investment interest

The market was suffering from the holiday blues for much of the four trading days this week. While equities registered small gains on Monday, markings were only just over 4,000, the lowest total this year. In the gilt market the story was more or less the same with buyers holding back after the recent firm trend.

There was a little more activity in equities on Tuesday and earlier gains in leaders were taken a few pence higher with the market taking a favourable view of the Government's White Paper on the future use of revenues from North Sea oil.

But there was no sign of any follow-through on Thursday and little action was seen in either equities or gilts and the end of the week closed on a very quiet note ahead of the extended weekend.

Leyland losses

British Leyland, firmly plugged into its Government life support system, successfully negotiated another cash transfusion this week. At the same time it announced another set of dismal figures which confirmed that Leyland's condition remains critical.

Losses last year, after special provisions of £43.5m. — including £24m. for the closure of the Speke plant — totalled almost £52m. This makes a total attributable deficit for the past three years of £133m.

The car division continues to sap strength from the rest of the group and last year it turned in losses of £32m. as car production continued to be hit by a series of strikes and other industrial disputes.

BL's new chairman, Mr. Michael Edwards, has now announced a major switch in investment plans which will mean a cut-back in programmed expenditure on the car division, with more money to spend on the profitable Truck and Bus and Special Products subsidiaries.

This is part of Mr. Edwards' new strategy currently being considered by the Government, and which could cost a further £850m. He has already won broad approval for the plans to restructure the company's finances which include an equity injection of up to £450m.

As part of this BL is to receive a short-term loan of £275m. from the National Enterprise Board to help the group over the coming months. Last year the group received loans of £150m. from the NEB upon which it has been paying interest at an average rate of between 13½ per cent. and 15½ per cent. On top

of this there was a substantial increase in private-sector debt last year.

This new loan is to enable the group to repay temporary borrowings and to continue its capital expenditure programme until Parliament has been able to consider Mr. Edwards' latest plan for the group.

One bright note is that latest reports of U.K. car sales indicate that BL may have increased its market share to above 27 per cent. in March, but is a long way back from the grave.

Insurance brokers

Some of the glitter was rubbed off the insurance broking sector this week by the results from Willis Faber and C. T. Bowring. Willis disappointed on both dividend and trading counts. Punters had been hoping that in its last year of dividend freedom Willis would have given something more than the total 13.6p gross dividend declared. While at the trading level the group was not helped by the expense of moving into its new premises in Ten Trinity Square. That, and an unexplained slowdown in brokerage growth in the last

quarter, pegged the pre-tax advance to a modest 20 per cent. to £19.6m.

But C. T. Bowring's figures were a little better than expectations. Pre-tax profits rose by 28 per cent. to £33m., nearly half of this improvement on the back of the group's finance and banking interests. This support from lower quality earnings, together with fears that Bowring's shipping interests, which turned in operating losses of £2.7m. excluding two ship sales, will brake earnings, did not help the share price.

The insurance broking sector has given investors a good run for their money since Sedgwick Forbes declared its results at the beginning of the month. Although Sedgwick's 40 per cent. advance in pre-tax profits, due to very firm control of its expenses, has proved untypical, the FT Actuaries insurance brokers index has risen around 12 per cent. against a rise of 6.5 per cent. in the All Share index since the day before Sedgwick declared its results.

The sector looks overdue for



This was good news for the banks' sizeable investment management departments since their fee income increased and in addition there were plenty of opportunities for putting in the gilt edged market. But judging by their recent results, only Morgan Grenfell seems to have had a particularly good year.

Since it is an unquoted company owned by Morgan Guaranty of New York and Willis Faber plus a few institutions, its profits increase of 92 per cent. is only of academic interest to investors.

Barrow provisions

Wednesday's news from Barrow Hepburn that serious irregularities starting to come to light in one subsidiary could involve the group in losses "very substantially greater" than the £945,000 already provided for, knocked 12p off the shares and they have since failed to rally above 34p.

Last year's group profits were only £3.2m., so the Board has rightly deferred consideration of the final dividend. Now, however, there is a growing feeling that the wording still leaves the company open to considering at least a partial dividend pay out.

The blue-blooded merchant banks have always regarded themselves as the elite of the financial establishment but one might never have guessed it from their stock market performance. Over the last five years the merchant banking sector has lagged far behind the market as a whole. At the moment the All-Share index is only a tenth of its all-time high whereas the merchant bank sector is over 70 per cent. below its all-time high and there is little sign that it is on the mend.

The recent spate of end-year results from the accepting houses underlines their problem — no outsider can tell how well or badly they did. By all accounts 1977 should have been a sparkling year. There was plenty of takeover activity and the stock market hit a new peak.

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Admittedly, Schroders' disclosed profits rose by 58 per cent. but this partly reflected a reduction in the losses of its overseas property associate, and profits on the banking side grew by only 22 per cent. Traditionally, the accepting houses do not disclose their true profits, and say hardly anything about their business. This may be sound sense from a banking point of view but it does not help their stock market rating.

At the beginning of the week, however, the optimists had reason to pause. The bullion price, as the dollar has declined on the foreign exchanges, so has the bullion price advanced steadily, reaching a high point for the last three years on March 8 of \$189.825 an ounce.

The fall was accompanied by a slide in the Gold Mines Index, which last Tuesday reached 141.03 after five days of decline from 166.3. But selling was not as widespread as the Index might suggest. Jobbers were aggressively marking prices down.

The bullion price was given a boost by a misleading agency report on Wednesday, while the share market moved higher in a technical reaction against the earlier falls. The rally in shares was sustained on Thursday and the Gold Mines Index was 156.3. But the gold price ended the day nervously at \$178.375 an ounce.

The feeling is growing that both markets have seen the worst of a difficult patch and that the outlook has become clearer. If gold is sold by the U.S. Treasury it is likely to be done gradually. Now, indeed, the markets have a more realistic view of what is in store and have learned to live with it.

If this is true, then it suggests that the markets are prepared to pay more attention to underlying factors outside the immediate considerations posed by currency movements. In this respect the markets are at harmony with the views expressed by Mr. J. Ogilvie Thompson, the chairman of Anglo American Gold Investment (Amgold) in his annual statement published on Wednesday.

Mr. Thompson conceded that the rise in the gold price was more marked in dollar terms than in Deutschmark or Swiss franc terms. This is apparent from the accompanying graph. But he argued that in 1977

the degree of movement in the price will depend to a large extent on the level of speculative activity, which as a proportion of total demand is small. Only if fabrication demand drops off sharply does it seem likely that a decided bear trend would emerge.

Certainly the developing gold mines in South Africa are confident enough of the investment climate over the next few months to contemplate calls on shareholders for funds.

Deelkraal in the Consolidated Gold Fields group expects the cost of its new mine to be \$150m. (£90.5m.), having taken a new look at the expenses necessary to come to production in the light of inflation. So far it has raised \$100.7m., and now seeks an additional \$50m. The terms of the rights offer will be announced on April 31.

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Crystal gazing

BY JOHN WYLES

NEW YORK, March 24.

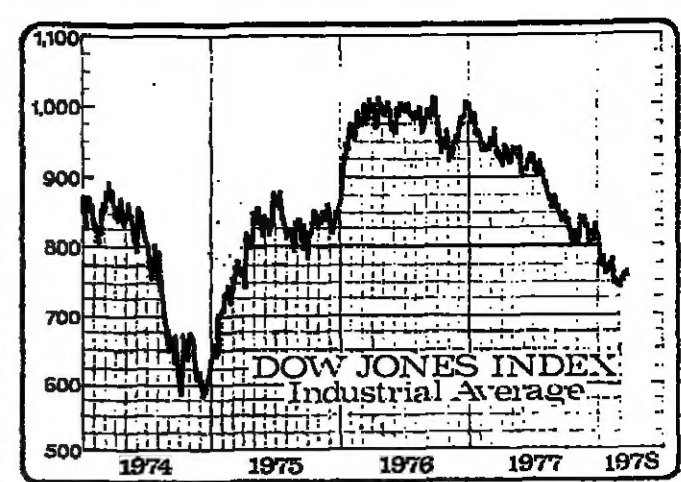
THERE ALWAYS seems to be an analyst somewhere in Wall Street with his finger on an historical trend. Some of their findings are so esoteric that they suggest that lifetimes are being spent delving into dusty, yellowing archives in an attempt to establish, among other things, what the market tends to do at 2 p.m. on sunny Tuesday afternoons in late March.

Merrill Lynch's Mr. May well have been tempting the gods when Mr. Arthur A. Merrill of the same name threw a juicy historical hint to the Wall Street Journal to the effect that since 1897 the industrial average has risen in nearly two thirds of the sessions preceding the Good Friday. This, of course, was too much for the stock market which rarely wants to be caught behaving predictably. Not only did investors on the New York Stock Exchange seem to endorse Mr. Henry Ford's view of history ("bank") but they did so in a most perverse way. Thus the session before Good Friday closed with the

Dow Jones Industrial average down 1.04—which was sufficient to put the historians in their place.

The broader market was, therefore, in slightly better shape than the Industrial Average would have us believe. The persistence of this two-tier market has been sharply apparent during the past four sessions when the Dow Jones Industrials fell by 2.2 per cent. and the Composite Average of 65 stocks by 1.6 per cent. More graphically, while the Industrials were sliding down by a total of 17.32 the American Stock Exchange Index ended the trading week at a record high of 138.01. As someone pointed out this week, the market for the stocks of smaller capitalised companies is a bull market which may be one of the reasons why Merrill Lynch, the world's largest broking firm, has noticed that in the first two and a half months of this year, the private investor is substantially a net buyer of stocks.

To return to the Wall Street analyst, a breed of men whose observations range from the ingenuously perceptible to the em-barrassingly banal. According to a recent study by Nelson Communications, the average Wall Street analyst emerges as a 40 year old with 11 years scrutiny and stock recommendations behind him. Eight out of ten of the 54 analysts who responded to this survey were equity investors and half of these put money into stocks in the industry in which they specialised. On average, the analysts had recently suffered a drop in earnings and were now earning \$81,700 a year compared to a peak of \$96,700 recorded dur-



ing the 1972-77 period. Their predictions of the year-end close of the industrial average ranged from a high of 1,035 to a low of 800 with the average settling at 853. If the average opinion proves to be correct, their employers may have some difficulty maintaining present salary levels and future historians may well mark 1978 as the year of the emergence of the ragged trousered analyst.

	Close	Change
Monday	773.82	-5.71
Tuesday	773.82	-11.00
Wednesday	757.54	-5.28
Thursday	756.50	-1.04
Friday		Exchange Closed

Gold bulls hold breath

AS A GROUP, gold bulls are unquenchable optimists, happy to shrug away a downward movement in the bullion price, everlastingly confident that sooner or later it will resume its inevitable climb.

In recent months there has been a good deal to buttress this view. As the dollar has declined on the foreign exchanges, so has the bullion price advanced steadily, reaching a high point for the last three years on March 8 of \$189.825 an ounce.

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the degree of movement in the price will depend to a large extent on the level of speculative activity, which as a proportion of total demand is small. Only if fabrication demand drops off sharply does it seem likely that a decided bear trend would emerge.

Certainly the developing gold mines in South Africa are confident enough of the investment climate over the next few months to contemplate calls on shareholders for funds.

Deelkraal in the Consolidated Gold Fields group expects the cost of its new mine to be \$150m. (£90.5m.), having taken a new look at the expenses necessary to come to production in the light of inflation. So far it has raised \$100.7m., and now seeks an additional \$50m. The terms of the rights offer will be announced on April 31.

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"gold rose in price in both strong and weak currencies, and that in real terms gold began to recover what it had lost in the two preceding years."

On this basis, market analysis "has focused to a larger extent on the supply and demand equation rather than on matters such as exchange rate uncertainties," Mr. Thompson stated.

The important point in this connection is that the accelerating demand for gold, both for fabrication and investment (or speculative) purposes, could not have been satisfied unless there had been additional sup-

MINING

PAUL CHEESRIGHT

Within the Anglo group, Vaal Reef, for example, is spending about \$47m. of a 1978 capital expenditure budget of \$72m. on increasing uranium output.

Hartebeestfontein of the Anglo-Transvaal Consolidated Mining, whose share price this group this week joined the expansionist ranks with the 30p.

On such a basis, of course, the prospect of U.S. Treasury sales in the near future is not a matter of much purport to the longer term future of market prices. The price may pitch about a bit, but its generally upward trend is not in doubt.

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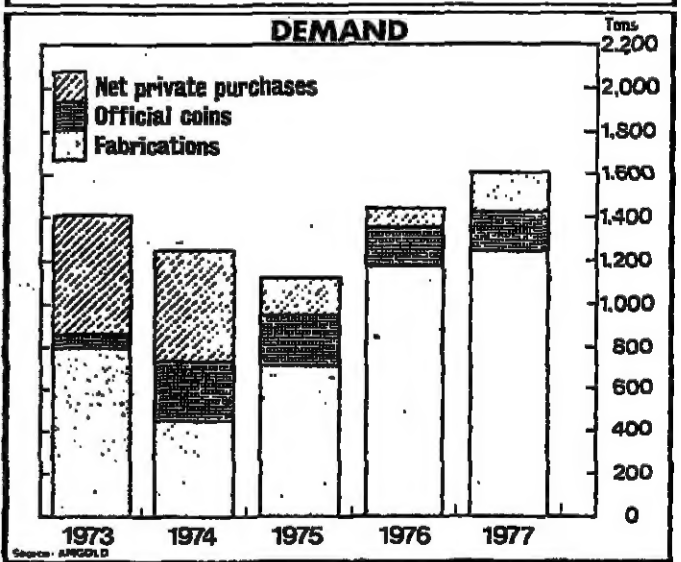
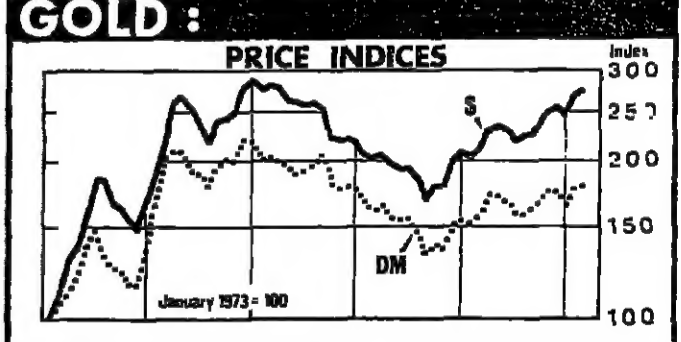
domestic investment will happen: when it does, companies will have an alternative market for their spare cash. Indeed, even the cut in the official discount rate can cut both ways—that is, boosting the attractiveness of stocks versus bonds and at the same time providing easier cash as a stimulus to investment. If the latter effect takes hold, the impact on the stock market could quickly turn negative.

Indeed, there is ample evidence that the speculative base of activity on the TSE is at present disproportionately large. One indication is the high average price/earnings ratio (even for Japan) with share prices reckoned to be roughly 22 times estimated earnings for the March term. Naturally, in Japan high p/e ratios are a fact of life for highly-gear companies, but the present level does reflect overpricing across much of the TSE board.

Interest in big-name shares has also risen because of fears of new bankruptcies among listed companies. The collapse of Eidal (which also had listings on foreign exchanges) seems to have shook many investors out of their conviction that listed companies must by definition be solvent (a conviction reinforced in 1977 when no listed company went bust despite a record high in number of bankruptcies).

The investment trusts, flush with funds, invested \$145m. more in the stock market than they sold during the first ten days of March—a historical high. And the balance of "margin" transactions on the three main Japanese exchanges grew to an all-time record of just over one trillion (about \$4.3bn.) as of March 7—forcing the authorities to boost the obligatory non-credit portion in margin transactions from 30 per cent. to 40 per cent.

In short, the Tokyo market is living on borrowed money, and the pessimists reckon, borrowed in time. At some point, they say, the long-stalled recovery in corporate accounts for the



MARKET HIGHLIGHTS OF THE WEEK

	Price Thursday	Change on Week	1977/8 High	1977/8 Low	
Ind. Ord. Index	460.5	+ 3.3	549.2	357.5	Mild Budget optimism
Barrow Hepburn	34.5	-12.5	54	31	Unquantified subsidiary losses
Bellway Holdings	67	+ 7	67	23	Bid speculation continues
Bullough	142	+12	142	65	Dividend-paying rights issue
Cannock Rietinto	168	+10	325	119	Diamond exploration hopes
De Beers Defd.	343	+20	347	188	40% surcharge on diamond prices
Group Lotus	48	+ 8	57	16	Speculative demand
Heron Moor	110	+12	110	33	Investment support
House of Fraser	143	+10	158	69	Consumer spending hopes
Lane (Percy)	59	+10	76	28	Demand in a thin market
Mollis	116	+12	122	94	Board's optimism on prospects
Morrison (Wm.)	200	+13	242	80	Inc'd. earnings/capital proposals
Northern Mining	30	+21	32	4	Diamond exploration hopes
Pressac	82	+ 7	82	36	Pleasing interim report
Primrois	88	+35	116	35	Bid from Tongat
Sanger (J. E.)	30	-16	57	29	Int. Div. emission and loss
Smart (J.)	48	+ 6	48	21	Investment recommendation
Thomson Org.	210	+20	255	122	North Sea interest revives
Turner (W. & E.)	35	+ 6	35	18	Good annual results
Vale Catto	82	- 5	87	33	Adverse Press comment

U.K. INDICES

	Average week to	March 23	March 17	March 10
FINANCIAL TIMES				
Govt. Secs.	75.36	75.80	75.25	
Fixed Interest	78.29	78.28	77.52	
Indust. Ord.	462.0	457.5	448.6	
Gold Mines	148.7	158.8	163.6	
Dealings mtd.	5,165	5,308	4,679	
FT ACTUARIES				
Capital Gds.	280.52	199.65	194.05	
Consumer (Durable)	184.62	182.69	177.89	
Cons. (Non-Durable)	193.53	191.14	185.67	
Ind. Group	198.93	196.72	191.28	
500-Share	219.99	216.82	210.97	
Financial Gs.	164.01	165.35	160.35	
All-Share	204.24	201.75	196.26	
Red. Debs.	61.05	60.98	60.54	

In a state of euphoria

SHORT OF doing the conga around the pillars of the facade, the Paris Bourse could hardly have celebrated the defeat of the Left with greater exuberance. In the week between the two rounds of voting French shares gained an average of 22.3 per cent. and in the account just ending they put on 25 per cent.

The first explosion came the day after the first round. Activity on the cash and forward market, at Frs.726m., was the highest in a normal trading day this decade. More than 30 shares were in such demand that they had to be withdrawn because buyers and sellers could not be matched. Stock Exchange authorities had to do a desperate whip-round of institutional investors to persuade them to put shares on to the market.

In that Monday's session French shares moved up by 9 per cent. Saint-Gobain, for example, put on 10 per cent. and CGO gained 6 per cent. — the 650,000 shares which the company had represented — changed 60 per cent. of its total capital. The sign was MATRA. At its low point last year one of the few MATRA shares could be had for Frs.405. It went into

the election at just over Frs.1,050. It was under such pressure on Monday that it could not be quoted at all. It made up for lost time on Tuesday by putting on 31 per cent. in a single session.

The following day the Bourse trimmed back some of the most extravagant gains, but it was only a prelude to another burst of buying. The following days saw rises in French shares of

PARIS

DAVID CURRY

3.5 per cent. and 3 per cent. It launched itself again the Monday after the conclusive second round of voting with a 5.5 per cent. increase in French shares — relatively modest because some institutional investors were collecting the profits of the previous week's activities. Foreign money — particularly British — flowed into the Bourse with the elections definitively decided.

The table shows what happened to some of the shares

threatened by the Left's nationalisation plans. It shows their rise on the morrow of the elections compared with the lowest point of their fortunes in 1977 and compared with their price on February 6 this year, which was their lowest level in 1978. In fact, since February the Bourse has climbed slowly as confidence in a Government victory grew and some institutional investors decided to buy shares at their bargain-basement prices despite the political risk.

The nationalisation candidates were not the only stars. Between the last pre-election day of trading and the first post-election session MATRA jumped from 1,070 to 1,700 (all values in francs), Guyenne Gascoigne was 107.5 in 1973.

The Price of Freedom—The Nationalisation Candidates

	March 20	March 17	March 10	77 low	Comp. with 77 low	Comp. with 78
Closing prices at						
Paris	188.70	172.10	148	+ 71.62	+ 41.34	
Suez	274.90	285	214	+ 55.99	+ 38.14	
CCF	132.80	122.40	110.50	+ 53.10	+ 34.14	
CGE	352	339.10	286	+ 71.60	+ 41.37	
Thomson-Brandt	189	177	142.50	+ 62.07	+ 40.10	
Machines Bull	34.50	32.80	25.20	+ 53.33	+ 31.68	
Rhone-Poulenc	69	64.50	56.90	+ 42.26	+ 38.28	
St. Gobain	155.50	147	122.50	+ 55.50	+ 40.73	
PUF	86.10	74	60.70	+ 40.79	+ 44.15	
Rassau-UCLAIF	242	227	188	+ 89	+ 51.25	

Not wisely but too well

IT IS difficult to pick the bull shares from the bear ones on the Tokyo Stock Exchange (TSE) these days. The Yen's rapid appreciation in March to a postwar high of ¥230 to the Dollar should have cut deeply into the share prices of export-oriented stocks.

In fact, damage has been scant to leading exporters like Matsushita (makers of National and Panasonic brand goods) and even Sony, whose profits were halved in the last term had a share price on Thursday the same as its December average.

By contrast, the construction and housing companies which were supposed to benefit from a big rise in government spending this year have hardly moved (and in the case of Eidal, a plywood and prefab housing company, instead went bust).

Market optimists are saying that at 5.267 (Thursday's closing) the Nikkei-Dow Jones average for 225 key stocks is nearing the all-time high of ¥3,559.7 set in January, 1978. More pragmatic dealers, however, insist that the all-time carrier has not been breached since the TSE has about ¥475m. in interest costs. This would lead to a sharp drop in the price of reach for the remainder of 1978. They base their

pessimism largely on the experience of 1977 when the market fell for most of the latter half.

Surprisingly, the factors which pessimists and optimists say have been "favourable" to the market recently are the same two: First, the Bank of Japan has cut its official discount rate from 4.25 per cent. to 3.5 per cent. This has a dual effect on the stock market. On the one hand, yields on bonds

and debentures will decline along with the rate cut, thus taking some of the edge off the TSE. The new interest rate structure, moreover, reduces the interest rate burden on Japanese industry and accordingly to one estimate, it will cut the cost of borrowing for the companies on the first section of the TSE have about ¥475m. in interest costs. This would lead to a sharp drop in the price of reach for the remainder of 1978. They base their

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Indeed, there is ample evidence that the speculative base of activity on the TSE is at present disproportionately large. One indication is the high average

FINANCE AND THE FAMILY

Landlord of a tenant

BY OUR LEGAL STAFF

With reference to your reply under landlord of a tenant (February 4) I am in the same position as your correspondent and wish to ensure a property I let can be recovered for my son. Of what significance is the fact that the over-riding lease should be 15 months longer than the sub-lease? Am I right in believing that my son could not obtain possession of the property until at least five years after his interest had been created?

The 15-month period is designed to exceed the 14 months which, by Section 44 of the Landlord and Tenant Act 1954, would make a superior landlord the competent landlord. You are correct as to possession for the landlord's own occupation being restricted to a landlord whose interest was acquired five years or more previously—Section 30 (2) of that Act.

Redeeming a rent charge

I own a terraced house in respect of which I pay an over-riding yearly ground rent of £20 and then collect eight apportioned rents adding up to the same amount. Is it correct that I can apply to some Government department to have the eight individual ground rents collected by the head lessor, thus relieving me of the burden of paying and then collecting?

You cannot quite achieve what you suggest by direct means.

Loan from non-resident

In your reply under tax relief, a house (Feb. 11) you wrote that special caution was needed if money was borrowed from a non-resident since the borrower would not be able to apply the interest against income for tax purposes. Could you enlarge on this?

By coincidence, your inquiry is substantially answered in Mr. David Wainman's article of March 11. "A question of geography," the point is also touched on briefly in paragraph 73 of Inland Revenue booklet 1111 (Tax Treatment of Interest Paid).

The relief available under section 75 of the Finance Act 1972 (as amended by the Acts of 1974 and 1976) is limited to (a) annual interest chargeable

However you can apply for the redemption of the rent charge paid by you (that is its extinction in return for the payment of a lump sum) under the Rent charges Act 1977 (replacing Section 101 of the Law of Property Act 1925). Application should be made to the Department of the Environment for a redemption certificate. The people who pay apportioned rents to you can, if they wish, also make similar applications: but they are not bound to do so.

Claim for tax deducted

I am a British national, living in India since 1968. My total (world) income is not much over £1,000, of which £500 comes from investments in the U.K. The tax reclaim vouchers with regard to the latter are with my bank in England. Can I reclaim the tax deducted? If so, should I ask the bank to send me the vouchers, or what?

In order to establish your right to income tax relief for 1971-72 (the year ended April 5, 1972), you should write at once to the Inland Revenue Foreign Claims Branch, Magdalen House, Stanley Precinct, Bootle, Merseyside, L68 9BB, giving your full name and place of birth, and saying that you wish to claim repayment under section 37 of the Taxes Act for 1971-72 and subsequent years.

Provided your letter reaches

them by April 5, they will give you a little extra time in which to prepare and submit your formal claim for 1971-72, by concession; strictly speaking, the formal claim should be in their hands by April 5.

Your bank would probably be prepared to assist you in the preparation of your claims, for a fee, but the cheapest solution is to ask them to send all the vouchers to you: the claims are fairly straightforward. The vouchers for 1970-71 and earlier years are probably worthless now (because the time limit for such claims is six years) and so you could save postage by telling the bank not to bother to send you vouchers dated before April 6, 1971.

Winding up a trust

My father made a marriage settlement in 1911, trustees to pay his widow £400 a year. He died in 1931 and in his will he left the remaining capital in trust for any grandchildren, the income to be divided equally between his two daughters. On becoming 21 the daughters agreed to go up the marriage settlement capital in trust for any children we might have. The younger daughter died without issue four years ago and with the death of my mother the only beneficiaries remaining are myself and my married daughter. Over the years, heavy charges have had to be paid to my late father's London solicitors and my daughter and I would like to get out of this situation and if possible to wind up the trust. Can this be done? You should consult your, or the

settlement's, solicitors as to determining the trusts. We cannot advise fully without full copies of all the relevant trust instruments and wills. If there is no one who is or might become entitled under any of the provisions of the trusts as now constituted other than yourself and your daughter, you may between you determine the trust out of court. Otherwise (if, for example, your daughter's children take or might take vested interests) you must make an application to the Court under the Variation of Trusts Act 1958.

The new pension scheme

As regards the new State pension scheme, what is the legal position of a company that makes participation in their scheme compulsory and then becomes insolvent? What happens to a worker who has several jobs and therefore loses the benefit of continuity, if he is forced to join company schemes in some firms and left to join the State scheme in others?

Pension fund assets must be held separately from company assets in a trust fund. If the employer's business fails this separate trust ensures that the employees' retirement savings are secure.

An employee could be in and out of the State scheme in the situation you describe. In practice, during the periods when he is contracted-out of the State scheme he must be getting better benefits under a company plan. Overall, therefore he should be better off than had he spent all his working life in the State scheme.

CHESS

LEONARD BARDEN

TWO EVENTS staged in the City of London last month provided a pointer to the shape of international chess in years to come. The first was the exhibition display at Salter's Hall on February 20 when Nigel Short, at 12 the world's leading player for his age, defeated 23 out of 23 opponents from the City and Fleet Street in the annual Lloyds Bank City Trophy match.

Mr. Frank Leonard, a partner in stockbrokers Phillips and Drew, was the only player to avoid defeat, and his draw game was adjudged the best of the match. The event was limited to players with British Chess Federation grades under 160, and the average was around 140—the standard of a quite good club player.

The impressive feature was Nigel Short's accuracy. In contrast to Reshevsky and Capablanca, the only players in chess history with comparable achievements at age 12, he is not particularly quick at a simultaneous game—his match took four hours and 20 minutes—but his play was free from blunders, and he won several good attacking

games of which this was among the best.

White: Nigel Short. Black: B. S. Drew (Lloyds Bank). Opening: 1. e4 e5 2. Nf3 Nc6 3. Bc4 Bc5 4. d4 exd4 5. Qd2 Qc7 6. Qe3 Qe6 7. Bb5 Nf6 8. Bxc6 dxc6 9. Qd2 Qc7 10. Qe3 Qe6 11. Qd2 Qc7 12. Qe3 Qe6 13. Qd2 Qc7 14. Qe3 Qe6 15. Qd2 Qc7 16. Qe3 Qe6 17. Qd2 Qc7 18. Qe3 Qe6 19. Qd2 Qc7 20. Qe3 Qe6 21. Qd2 Qc7 22. Qe3 Qe6 23. Qd2 Qc7 24. Qe3 Qe6 25. Qd2 Qc7 26. Qe3 Qe6 27. Qd2 Qc7 28. Qe3 Qe6 29. Qd2 Qc7 30. Qe3 Qe6 31. Qd2 Qc7 32. Qe3 Qe6 33. Qd2 Qc7 34. Qe3 Qe6 35. Qd2 Qc7 36. Qe3 Qe6 37. Qd2 Qc7 38. Qe3 Qe6 39. Qd2 Qc7 40. Qe3 Qe6 41. Qd2 Qc7 42. Qe3 Qe6 43. Qd2 Qc7 44. Qe3 Qe6 45. Qd2 Qc7 46. Qe3 Qe6 47. Qd2 Qc7 48. Qe3 Qe6 49. Qd2 Qc7 50. Qe3 Qe6 51. Qd2 Qc7 52. Qe3 Qe6 53. Qd2 Qc7 54. Qe3 Qe6 55. Qd2 Qc7 56. Qe3 Qe6 57. Qd2 Qc7 58. Qe3 Qe6 59. Qd2 Qc7 60. Qe3 Qe6 61. Qd2 Qc7 62. Qe3 Qe6 63. Qd2 Qc7 64. Qe3 Qe6 65. Qd2 Qc7 66. Qe3 Qe6 67. Qd2 Qc7 68. Qe3 Qe6 69. Qd2 Qc7 70. Qe3 Qe6 71. Qd2 Qc7 72. Qe3 Qe6 73. Qd2 Qc7 74. Qe3 Qe6 75. Qd2 Qc7 76. Qe3 Qe6 77. Qd2 Qc7 78. Qe3 Qe6 79. Qd2 Qc7 80. Qe3 Qe6 81. Qd2 Qc7 82. Qe3 Qe6 83. Qd2 Qc7 84. Qe3 Qe6 85. Qd2 Qc7 86. Qe3 Qe6 87. Qd2 Qc7 88. Qe3 Qe6 89. Qd2 Qc7 90. Qe3 Qe6 91. Qd2 Qc7 92. Qe3 Qe6 93. Qd2 Qc7 94. Qe3 Qe6 95. Qd2 Qc7 96. Qe3 Qe6 97. Qd2 Qc7 98. Qe3 Qe6 99. Qd2 Qc7 100. Qe3 Qe6 101. Qd2 Qc7 102. Qe3 Qe6 103. Qd2 Qc7 104. Qe3 Qe6 105. Qd2 Qc7 106. Qe3 Qe6 107. Qd2 Qc7 108. Qe3 Qe6 109. Qd2 Qc7 110. Qe3 Qe6 111. Qd2 Qc7 112. Qe3 Qe6 113. Qd2 Qc7 114. Qe3 Qe6 115. Qd2 Qc7 116. Qe3 Qe6 117. Qd2 Qc7 118. Qe3 Qe6 119. Qd2 Qc7 120. Qe3 Qe6 121. Qd2 Qc7 122. Qe3 Qe6 123. Qd2 Qc7 124. Qe3 Qe6 125. Qd2 Qc7 126. Qe3 Qe6 127. Qd2 Qc7 128. Qe3 Qe6 129. Qd2 Qc7 130. Qe3 Qe6 131. Qd2 Qc7 132. Qe3 Qe6 133. Qd2 Qc7 134. Qe3 Qe6 135. Qd2 Qc7 136. Qe3 Qe6 137. Qd2 Qc7 138. Qe3 Qe6 139. Qd2 Qc7 140. Qe3 Qe6 141. Qd2 Qc7 142. Qe3 Qe6 143. Qd2 Qc7 144. Qe3 Qe6 145. Qd2 Qc7 146. Qe3 Qe6 147. Qd2 Qc7 148. Qe3 Qe6 149. Qd2 Qc7 150. Qe3 Qe6 151. Qd2 Qc7 152. Qe3 Qe6 153. Qd2 Qc7 154. Qe3 Qe6 155. Qd2 Qc7 156. Qe3 Qe6 157. Qd2 Qc7 158. Qe3 Qe6 159. Qd2 Qc7 160. Qe3 Qe6 161. Qd2 Qc7 162. Qe3 Qe6 163. Qd2 Qc7 164. Qe3 Qe6 165. Qd2 Qc7 166. Qe3 Qe6 167. Qd2 Qc7 168. Qe3 Qe6 169. Qd2 Qc7 170. Qe3 Qe6 171. Qd2 Qc7 172. Qe3 Qe6 173. Qd2 Qc7 174. Qe3 Qe6 175. Qd2 Qc7 176. Qe3 Qe6 177. Qd2 Qc7 178. Qe3 Qe6 179. Qd2 Qc7 180. Qe3 Qe6 181. Qd2 Qc7 182. Qe3 Qe6 183. Qd2 Qc7 184. Qe3 Qe6 185. Qd2 Qc7 186. Qe3 Qe6 187. Qd2 Qc7 188. Qe3 Qe6 189. Qd2 Qc7 190. Qe3 Qe6 191. Qd2 Qc7 192. Qe3 Qe6 193. Qd2 Qc7 194. Qe3 Qe6 195. Qd2 Qc7 196. Qe3 Qe6 197. Qd2 Qc7 198. Qe3 Qe6 199. Qd2 Qc7 200. Qe3 Qe6 201. Qd2 Qc7 202. Qe3 Qe6 203. Qd2 Qc7 204. Qe3 Qe6 205. Qd2 Qc7 206. Qe3 Qe6 207. Qd2 Qc7 208. Qe3 Qe6 209. Qd2 Qc7 210. Qe3 Qe6 211. Qd2 Qc7 212. Qe3 Qe6 213. Qd2 Qc7 214. Qe3 Qe6 215. Qd2 Qc7 216. Qe3 Qe6 217. Qd2 Qc7 218. Qe3 Qe6 219. Qd2 Qc7 220. Qe3 Qe6 221. Qd2 Qc7 222. Qe3 Qe6 223. Qd2 Qc7 224. Qe3 Qe6 225. Qd2 Qc7 226. Qe3 Qe6 227. Qd2 Qc7 228. Qe3 Qe6 229. Qd2 Qc7 230. Qe3 Qe6 231. Qd2 Qc7 232. Qe3 Qe6 233. Qd2 Qc7 234. Qe3 Qe6 235. Qd2 Qc7 236. Qe3 Qe6 237. Qd2 Qc7 238. Qe3 Qe6 239. Qd2 Qc7 240. Qe3 Qe6 241. Qd2 Qc7 242. Qe3 Qe6 243. Qd2 Qc7 244. Qe3 Qe6 245. Qd2 Qc7 246. Qe3 Qe6 247. Qd2 Qc7 248. Qe3 Qe6 249. Qd2 Qc7 250. Qe3 Qe6 251. Qd2 Qc7 252. Qe3 Qe6 253. Qd2 Qc7 254. Qe3 Qe6 255. Qd2 Qc7 256. Qe3 Qe6 257. Qd2 Qc7 258. Qe3 Qe6 259. Qd2 Qc7 260. Qe3 Qe6 261. Qd2 Qc7 262. Qe3 Qe6 263. Qd2 Qc7 264. Qe3 Qe6 265. Qd2 Qc7 266. Qe3 Qe6 267. Qd2 Qc7 268. Qe3 Qe6 269. Qd2 Qc7 270. Qe3 Qe6 271. Qd2 Qc7 272. Qe3 Qe6 273. Qd2 Qc7 274. Qe3 Qe6 275. Qd2 Qc7 276. Qe3 Qe6 277. Qd2 Qc7 278. Qe3 Qe6 279. Qd2 Qc7 280. Qe3 Qe6 281. Qd2 Qc7 282. Qe3 Qe6 283. Qd2 Qc7 284. Qe3 Qe6 285. Qd2 Qc7 286. Qe3 Qe6 287. Qd2 Qc7 288. Qe3 Qe6 289. Qd2 Qc7 290. Qe3 Qe6 291. Qd2 Qc7 292. Qe3 Qe6 293. Qd2 Qc7 294. Qe3 Qe6 295. Qd2 Qc7 296. Qe3 Qe6 297. Qd2 Qc7 298. Qe3 Qe6 299. Qd2 Qc7 300. Qe3 Qe6 301. Qd2 Qc7 302. Qe3 Qe6 303. Qd2 Qc7 304. Qe3 Qe6 305. Qd2 Qc7 306. Qe3 Qe6 307. Qd2 Qc7 308. Qe3 Qe6 309. Qd2 Qc7 310. Qe3 Qe6 311. Qd2 Qc7 312. Qe3 Qe6 313. Qd2 Qc7 314. Qe3 Qe6 315. Qd2 Qc7 316. Qe3 Qe6 317. Qd2 Qc7 318. Qe3 Qe6 319. Qd2 Qc7 320. Qe3 Qe6 321. Qd2 Qc7 322. Qe3 Qe6 323. Qd2 Qc7 324. Qe3 Qe6 325. Qd2 Qc7 326. Qe3 Qe6 327. Qd2 Qc7 328. Qe3 Qe6 329. Qd2 Qc7 330. Qe3 Qe6 331. Qd2 Qc7 332. Qe3 Qe6 333. Qd2 Qc7 334. Qe3 Qe6 335. Qd2 Qc7 336. Qe3 Qe6 337. Qd2 Qc7 338. Qe3 Qe6 339. Qd2 Qc7 340. Qe3 Qe6 341. Qd2 Qc7 342. Qe3 Qe6 343. Qd2 Qc7 344. Qe3 Qe6 345. Qd2 Qc7 346. Qe3 Qe6 347. Qd2 Qc7 348. Qe3 Qe6 349. Qd2 Qc7 350. Qe3 Qe6 351. Qd2 Qc7 352. Qe3 Qe6 353. Qd2 Qc7 354. Qe3 Qe6 355. Qd2 Qc7 356. Qe3 Qe6 357. Qd2 Qc7 358. Qe3 Qe6 359. Qd2 Qc7 360. Qe3 Qe6 361. Qd2 Qc7 362. Qe3 Qe6 363. Qd2 Qc7 364. Qe3 Qe6 365. Qd2 Qc7 366. Qe3 Qe6 367. Qd2 Qc7 368. Qe3 Qe6 369. Qd2 Qc7 370. Qe3 Qe6 371. Qd2 Qc7 372. Qe3 Qe6 373. Qd2 Qc7 374. Qe3 Qe6 375. Qd2 Qc7 376. Qe3 Qe6 377. Qd2 Qc7 378. Qe3 Qe6 379. Qd2 Qc7 380. Qe3 Qe6 381. Qd2 Qc7 382. Qe3 Qe6 383. Qd2 Qc7 384. Qe3 Qe6 385. 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Qd2 Qc7 614. Qe3 Qe6 615. Qd2 Qc7 616. Qe3 Qe6 617. Qd2 Qc7 618. Qe3 Qe6 619. Qd2 Qc7 620. Qe3 Qe6 621. Qd2 Qc7 622. Qe3 Qe6 623. Qd2 Qc7 624. Qe3 Qe6 625. Qd2 Qc7 626. Qe3 Qe6 627. Qd2 Qc7 628. Qe3 Qe6 629. Qd2 Qc7 630. Qe3 Qe6 631. Qd2 Qc7 632. Qe3 Qe6 633. Qd2 Qc7 634. Qe3 Qe6 635. Qd2 Qc7 636. Qe3 Qe6 637. Qd2 Qc7 638. Qe3 Qe6 639. Qd2 Qc7 640. Qe3 Qe6 641. Qd2 Qc7 642. Qe3 Qe6 643. Qd2 Qc7 644. Qe3 Qe6 645. Qd2 Qc7 646. Qe3 Qe6 647. Qd2 Qc7 648. Qe3 Qe6 649. Qd2 Qc7 650. Qe3 Qe6 651. Qd2 Qc7 652. Qe3 Qe6 653. Qd2 Qc7 654. Qe3 Qe6 655. Qd2 Qc7 656. Qe3 Qe6 657. Qd2 Qc7 658. Qe3 Qe6 659. Qd2 Qc7 660. Qe3 Qe6 661. Qd2 Qc7 662. Qe3 Qe6 663. Qd2 Qc7 664. Qe3 Qe6 665. Qd2 Qc7 666. Qe3 Qe6 667. Qd2 Qc7 668. Qe3 Qe6 669. Qd2 Qc7 670. Qe3 Qe6 671. Qd2 Qc7 672. Qe3 Qe6 673. Qd2 Qc7 674. Qe3 Qe6 675. Qd2 Qc7 676. Qe3 Qe6 677. Qd2 Qc7 678. Qe3 Qe6 679. Qd2 Qc7 680. Qe3 Qe6 681. Qd2 Qc7 682. Qe3 Qe6 683. Qd2 Qc7 684. Qe3 Qe6 685. Qd2 Qc7 686. Qe3 Qe6 687. Qd2 Qc7 688. Qe3 Qe6 689. Qd2 Qc7 690. Qe3 Qe6 691. Qd2 Qc7 692. Qe3 Qe6 693. Qd2 Qc7 694. Qe3 Qe6 695. Qd2 Qc7 696. Qe3 Qe6 697. Qd2 Qc7 698. Qe3 Qe6 699. Qd2 Qc7 700. Qe3 Qe6 701. Qd2 Qc7 702. Qe3 Qe6 703. Qd2 Qc7 704. Qe3 Qe6 705. Qd2 Qc7 706. Qe3 Qe6 707. Qd2 Qc7 708. Qe3 Qe6 709. Qd2 Qc7 710. Qe3 Qe6 711. Qd2 Qc7 712. Qe3 Qe6 713. Qd2 Qc7 714. Qe3 Qe6 715. Qd2 Qc7 716. Qe3 Qe6 717. Qd2 Qc7 718. Qe3 Qe6 719. Qd2 Qc7 720. Qe3 Qe6 721. Qd2 Qc7 722. Qe3 Qe6 723. Qd2 Qc7 724. Qe3 Qe6 725. Qd2 Qc7 726. Qe3 Qe6 727. Qd2 Qc7 728. Qe3 Qe6 729. Qd2 Qc7 730. Qe3 Qe6 731. Qd2 Qc7 732. Qe3 Qe6 733. Qd2 Qc7 734. Qe3 Qe6 735. Qd2 Qc7 736. Qe3 Qe6 737. Qd2 Qc7 738. Qe3 Qe6 739. Qd2 Qc7 740. Qe3 Qe6 741. Qd2 Qc7 742. Qe3 Qe6 743. Qd2 Qc7 744. Qe3 Qe6 745. Qd2 Qc7 746. Qe3 Qe6 747. Qd2 Qc7 748. Qe3 Qe6 749. Qd2 Qc7 750. Qe3 Qe6 751. Qd2 Qc7 752. Qe3 Qe6 753. Qd2 Qc7 754. Qe3 Qe6 755. Qd2 Qc7 756. Qe3 Qe6 757. Qd2 Qc7 758. Qe3 Qe6 759. Qd2 Qc7 760. Qe3 Qe6 761. Qd2 Qc7 762. Qe3 Qe6 763. Qd2 Qc7 764. Qe3 Qe6 765. Qd2 Qc7 766. Qe3 Qe6 767. Qd2 Qc7 768. Qe3 Qe6 769. Qd2 Qc7 770. Qe3 Qe6 771. Qd2 Qc7 772. Qe3 Qe6 773. Qd2 Qc7 774. Qe3 Qe6 775. Qd2 Qc7 776. Qe3 Qe6 777. Qd2 Qc7 778. Qe3 Qe6 779. Qd2 Qc7 780. Qe3 Qe6 781. Qd2 Qc7 782. Qe3 Qe6 783. Qd2 Qc7 784. Qe3 Qe6 785. Qd2 Qc7 786. Qe3 Qe6 787. Qd2 Qc7 788. Qe3 Qe6 789. Qd2 Qc7 790. Qe3 Qe6 791. Qd2 Qc7 792. Qe3 Qe6 793. Qd2 Qc7 794. Qe3 Qe6 795. Qd2 Qc7 796. Qe3 Qe6 797. Qd2 Qc7 798. Qe3 Qe6 799. Qd2 Qc7 800. Qe3 Qe6 801. Qd2 Qc7 802. Qe3 Qe6 803. Qd2 Qc7 804. Qe3 Qe6 805. Qd2 Qc7 806. Qe3 Qe6 807. Qd2 Qc7 808. Qe3 Qe6 809. Qd2 Qc7 810. Qe3 Qe6 811. Qd2 Qc7 812. Qe3 Qe6 813. Qd2 Qc7 814. Qe3 Qe6 815. Qd2 Qc7 816. Qe3 Qe6 817. Qd2 Qc7 818. Qe3 Qe6 819. Qd2 Qc7 820. Qe3 Qe6 821. Qd2 Qc7 822. Qe3 Qe6 823. Qd2 Qc7 824. Qe3 Qe6 825. Qd2 Qc7 826. Qe3 Qe6 827. Qd2 Qc7 828. Qe3 Qe6 829. Qd2 Qc7 830. Qe3 Qe6 831. Qd2 Qc7 832. Qe3 Qe6 833. Qd2 Qc7 834. Qe3 Qe6 835. Qd2 Qc7 836. Qe3 Qe6 837. Qd2 Qc7 838. Qe3 Qe6 839. Qd2 Qc7 840. Qe3 Qe6 841. Qd2 Qc7 842. Qe3 Qe6 843. Qd2 Qc7 844. Qe3 Qe6 845. Qd2 Qc7 846. Qe3 Qe6 847. Qd2 Qc7 848. Qe3 Qe6 849. Qd2 Qc7 850. Qe3 Qe6 851. Qd2 Qc7 852. Qe3 Qe6 853. Qd2 Qc7 854. Qe3 Qe6 855. Qd2 Qc7 856. Qe3 Qe6 857. Qd2 Qc7 858. Qe3 Qe6 859. Qd2 Qc7 860. Qe3 Qe6 861. Qd2 Qc7 862. Qe3 Qe6 863. Qd2 Qc7 864. Qe3 Qe6 865. Qd2 Qc7 866. Qe3 Qe6 867. Qd2 Qc7 868. Qe3 Qe6 869. Qd2 Qc7 870. Qe3 Qe6 871. Qd2 Qc7 872. Qe3 Qe6 873. Qd2 Qc7 874. Qe3 Qe6 875. Qd2 Qc7 876. Qe3 Qe6 877. Qd2 Qc7 878. Qe3 Qe6 879. Qd2 Qc7 880. Qe3 Qe6 881. Qd2 Qc7 882. Qe3 Qe6 883. Qd2 Qc7 884. Qe3 Qe6 885. Qd2 Qc7 886. Qe3 Qe6 887. Qd2 Qc7 888. Qe3 Qe6 889. Qd2 Qc7 890. Qe3 Qe6 891. Qd2 Qc7 892. Qe3 Qe6 893. Qd2 Qc7 894. Qe3 Qe6 895. Qd2 Qc7 896. Qe3 Qe6 897. Qd2 Qc7 898. Qe3 Qe6 899. Qd

Charges freeze

THE SUMMIT of the Matterhorn cannot compete, for trustiness, with the atmosphere now prevailing between the Unit Trust Association and the Department of Trade. The former reacted in strong terms, earlier this week to the latter's rejection of its pleas for higher management charges; and indeed, after 18 months of toing and froing it's hardly surprising that the D of T's brush-off came as something of a body blow.

It is, however, a fact that if management charges have not risen with inflation, it is largely because the value of the funds under management has not done so, either.

Many of the management groups are, of course, spending hand over fist on advertising, and hand over fist, too, on commissions to the agents who bring them in new sales; and that is a consideration that may not have been far from the mind of the D of T when the Association's plea for an increase in the annual management charge to a maximum of 1 per cent was rejected out of hand. This becomes, however, a circular argument: for many unit trust management companies—particularly those without a large

parent, like a clearing bank, to see them through—would argue that they could not survive without the benefit of the front-end loading.

As it is, investors may receive widely varying levels of service from differing management groups, though their charges are standardised. For the management groups themselves, there is no incentive in the charges to serve investors well. It's true that the size of a fund may grow as a consequence of their excellence—but it may grow, too, as a result of a rising market.

As a result of a rising market, extensive advertising, or heavy payments of commission. Standardising the level of the charges probably reduces the level of service to which investors can look—not only because of the possibility that the minimum investment may be raised to cut out unprofitable smaller investors, but also because as things stand now, some potential fund managers will not come into this business.

Surely it would be better to commit the job of checking the greed of fund managers, not to the competition, but to the competition—which is what happens with the life-assurance linked business which has become one of the mainstays of this industry.

Drummond developments

DRUMMOND INVESTORS, the financial services company subject to a winding-up petition, is endeavouring to pay back some of the money deposited with it by investors. In the High Court hearing on Monday, terms were announced for a rescue scheme which would pay existing creditors about 50p in the pound. The case has been adjourned until May 15 to allow the company time to complete arrangements on the scheme for the approval of creditors.

The two creditors who brought the Court action are, however, opposed to the scheme, since it

appears to make no provision for payment of costs of the petition. We await further developments.

Meanwhile, investors with Drummond Assurance Society are likely to have their benefits merged with those of the Family Assurance Society, a much bigger friendly society managed by Planned Savings Assurance. This society should be able to offer investors the stability of management charges often lacking in a small society. It should prove a satisfactory solution, if it goes through.

A LONG WEEK-END is always a good time to review financial strategy; and this week-end may be better than most because the signs are that we have rising real incomes and a boost to the economy ahead of us at home, and because of the financial and political upheavals which are taking place abroad. Any exercise in financial strategy is, however, first of all a matter of identifying objectives. I have assumed, below, that these fall within three categories: to build up capital through savings from income; to maintain, and if possible increase, the value of capital that is held already; and to use that capital to provide income. Obviously there will be individual requirements to suit individual circumstances; but these are the general considerations that should influence each case.

The savers have an interesting prospect before them, for it looks as though they will have more spare income from which to save, this year, than for some time past. The ground rules, however, remain the same: with any form of long term saving you want to take the maximum

A strategy for springtime

BY ADRIENNE GLEESON

possible advantage of tax concessions. Essentially that means putting the money into housing, pensions and life assurance contracts. By all means retain some of your surplus income as fun money; but it doesn't make sense to try building capital out of income by buying shares, for instance, or growth unit trusts.

With your long-term savings tied up you can, of course, afford to take more risks with your fun money: put the odd few hundred pounds into a specialist unit trust, for example, or a go-go share: maybe put it into options once the new traded options market is functioning. Don't do it, however, unless you're prepared to look after it!

The owners of capital have to

grapple with the fact that to those who have much, more problems shall be given. Tax problems come first, of course; but assuming that you've made arrangements to minimise capital transfer tax, how do you invest the money that is left? General principle number one is that equities will retain their value better than fixed interest stocks on a long-term view. General principle number two is that small companies grow faster.

It is true that the shares of bigger companies look better value at the moment, in both the U.S. and the U.K.; but I do not think that the difference is worth doing anything about, unless you have new money available to put in. Since you can afford to take some risks

Commissions on assurance

CONSUMERS are getting a better deal from life assurance brokers. This is the message from life company reports this year, which reveal a substantial drop in sales of whole-life non-profit contracts. One major objective in changing the commission rates appears to have been achieved.

Readers may remember that the life companies which were members of the Life Offices' Association, agreed to change the basis of commission payments from a sum-assured to a premium system. Under the

former method, the commission paid on whole-life non-profit contracts on young lives could be as much as 300 per cent of the annual premium. Now the maximum is 90 per cent.

But the major industrial life companies, which sell almost exclusively through agents, kept their sum-assured method in place, which reveals a substantial drop in sales of whole-life non-profit contracts. One major objective in changing the commission rates appears to have been achieved.

A woman's worth

LADIES, DO your husbands appreciate your worth? They should do by now, because life companies have been busy pointing out the market value of those services which you provide, by totting up the cost of hiring the labour. It would need an executive-level salary to replace you. The latest company to embark on this exercise is Standard Life. Its literature asks the simple question: could your husband cope if you were to die—doing the housework, cooking the meals, and looking after the children?

Standard Life is making a practice of boosting your ego. Remember the advertisement a couple of years ago: "You're just turning 31, but sometimes you feel 40. To us you're only 27." Very flattering. But the company is not simply advising husbands to insure.

In these days of liberation, it feels that women need life assurance in their own right, for a variety of reasons. One object of liberation was to free women from the financial shackles of men. This means, twier alia, taking out life assurance yourselves. To cater for your particular needs, Standard Life have produced a new booklet, Life Assurance for Women. It is worth reading.

Paying for a pension

WHILE ON the subject of liberation, the new State pension scheme which starts in two weeks' time represents a major chance for women to free themselves from their degrading (in Mrs. Castle's estimation) dependence on their husbands' contribution record for their pension entitlement. The theme of the scheme was that women will

acquire pensions in their own right, including the earnings-related addition. Their husbands' contributions will not allow them to qualify for this extra pension. There is just one little snag. They will have to give up paying the reduced National Insurance contribution rate, and pay their full whack. Anyone who feels liberated and wants to get in at the start must inform her local social security office at once. Otherwise she will have to wait until 1979 before starting to acquire pension rights.

ERIC SHORT

The Woodlanders

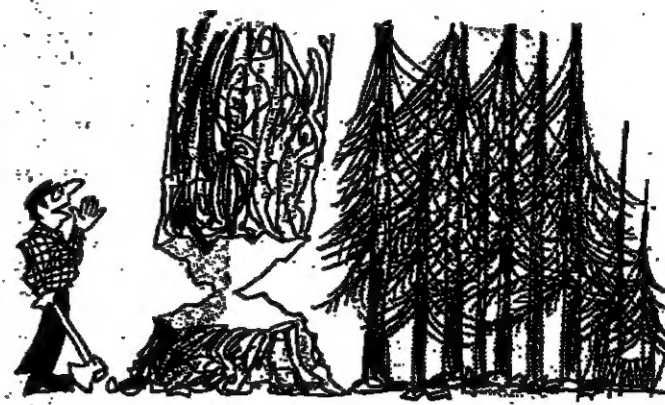
LIFE ASSURANCE companies are often urged by trade unions to invest their money for socially useful purposes—a phrase that can mean all things to all men. But now that some life companies have discovered the virtues of investing in woodlands, they have an unrivalled opportunity to do something for the community.

Forests are often, by their siting and nature, areas of outstanding beauty, likely to attract people who enjoy open-air activities. As one who finds relaxation by walking in local woods, I believe that the life companies could provide amenities such as nature trails, car parks and picnic areas in the forests that they own.

Scottish Equitable is one life company recently to have invested in woodland, and one of

its holdings is the beautiful Kenmore Forest on the shores of Loch Fyne. But when, at a recent meeting, I put my idea to Ian Henderson, the investment manager, he was not very sympathetic. Investment, he said, was in the interests of policyholders, and his responsibility was to these policyholders. So I suggested that policyholders should have the right to visit the forest; and he agreed that if any policyholder contacted the head office in Edinburgh, he (or she) would be supplied with a letter authorising him to visit the forest.

Alastair Robertson, the general manager and actuary, took a line that was much more down to earth. The company interests had not bought the forest so that policyholders of their awareness of policyholders' rivals, like Scottish Widows, interests other than those of a



* All Scottish Equitable policyholders... Timber!

could use it—that was his reaction. But he was looking into the possibilities of using adjoining land for staff purposes, and for policyholders' down to earth. The company interests had not bought the forest so that policyholders of their awareness of policyholders' rivals, like Scottish Widows, interests other than those of a

ERIC SHORT

Institution/ Tyndall Fund	Currency	Quoted	Valuation	Minimum purchase on issues	Initial charge %	Annual charge %	Asset growth over 1 year	5 years
Overseas	US\$	—	Weekly	\$5,000	5	1	— 3.5	—
3 Way Intl.	US\$	—	Monthly	\$5,000	98% invested	1	6.5	— 9.4
Jersey	£	—	Weekly	500 units	5	1	51.8	NA
Gilt	£	—	Weekly	£1,500	11*	1	12.3	NA
Hambro Pacific								
Far East	SHK	—	Weekly	500 units	3	1	— 11.5	NA
Japan	US\$	—	Weekly	100 units	3	1	5.5	NA
Hambros (Guernsey)/Hambro Fund Managers (C.I.)								
Intl. Bond	US\$	—	Weekly	50 shares	3	1	—	NA
Intl. Equity	US\$	—	Weekly	\$1,000	3	1	NA	NA
Int. Savings "A"	US\$	—	Weekly	\$1,000†	3	1**	NA	NA
Int. Savings "B"	US\$	—	Weekly	\$1,000†	3	1**	NA	NA

* Discount on larger amounts. † Or regular monthly savings; min. \$250. ** Plus 1% charge on underlying fund

Putting cash aside abroad

SO FAR in looking at the offshore funds I have concentrated mainly on those which require quite a high level of initial investment: those aimed at people with capital, or those who have done their savings already. But there are also schemes available, for those who want some vehicle other than the bank through which to make their savings; and each of the two management groups under the microscope this week offers them.

The Tyndall Group has three life assurance subsidiaries through which overseas residents can invest: Tyndall International Assurance, Tyndall Assurance (Isle of Man), and Tyndall Guardian. The latter exists principally to tap the funds of Canadian investors, so let us concentrate on the other two.

Tyndall International Assurance offers three forms of investment: a single premium plan (for a minimum investment of \$U.S.5,000), an assurance savings plan (for a minimum of \$U.S.50 a month), and a regular savings plan (for a minimum of \$U.S.100 a month).

Through these the investor can put his money into one of four dollar-denominated funds: the Equity Fund International (invested in the U.S., the U.K. and the Far East), the Bond Fund International (invested in Eurodollar loans, gifts exempt from tax for overseas residents), Tyndall Commodity Fund (exactly what it sounds), and a three-way fund which invests in the three above.

Now it may be that the investor doesn't want his money in dollars at the end of the day: maybe he's dubious about the dollar: maybe he's just planning to retire to Britain. In that case Tyndall Assurance (Isle of Man) might be a better choice of vehicle for his savings, for it invests into four sterling funds: a fixed interest property, and a managed fund which invests in all three. Again there are three forms of investment available: through a single premium plan (minimum £1,500), an assurance savings plan (minimum £25 a month), and a regular savings plan (minimum £50 a month).

There are two arms to the offshore services provided by merchant bankers Hambros. One, run by Hambro Pacific out of Hong Kong, offers a choice between a Far East Fund (denominated in Hong Kong dollars), and a U.S. dollar fund (denominated Far East Fund). Both of these are for investors with some capital to tuck away already.

Hambros (Guernsey), however, has a couple of savings funds, confusingly described as "A" and "B," which will take a minimum of \$250 a month take you into the group's International Bond Fund, and its International Equity Fund, respectively. The Equity Fund (and the two savings funds) were only launched last November, so as yet there's relatively little to be said about their performance; but the bond fund, which goes into Eurocurrency, has shown respectable growth over the two years since its inception, though there's been very little change in the last 12 months. Hambros Savings schemes do not provide you with life assurance cover: they're purely an investment vehicle.

Standardising options

LAST WEEK I talked about the level at which the exercise price is set is very much a matter for negotiation by both sides to the deal, that too is going to be standardised. And the dates within which the right to buy the underlying shares may be exercised, will be standardised as well—three, six and nine months ahead for each share, at the start of the new market. In fact there will be two prices at which the underlying shares may be bought: within each three-month period: one above, and one below the market price at the time that the option is granted. Those six exercise prices are to be set by the Council of the Stock Exchange.

Let's take an example. Initially it will be possible to trade options (each option giving you a right to buy, at a given period, will be set, not by the other side of the operation, but by the market as a whole. Whereas at the moment the

level at which the exercise price is set is very much a matter for negotiation by both sides to the deal, that too is going to be standardised. And the dates within which the right to buy the underlying shares may be exercised, will be standardised as well—three, six and nine months ahead for each share, at the start of the new market. In fact there will be two prices at which the underlying shares may be bought: within each three-month period: one above, and one below the market price at the time that the option is granted. Those six exercise prices are to be set by the Council of the Stock Exchange.

Ko-Ko's shares were to be standardised at 500p when the new traded options market opens at the end of next month, the Council of the Stock Exchange might decide that options could be written at 480p and 520p for each of the three periods, three, six and nine months ahead. So if you wanted to buy an option in Ko-Ko's shares, you would have the following choice: Ko-Ko July 480/Ko-Ko July 520; Ko-Ko October 480/Ko-Ko October 520; Ko-Ko January 480/Ko-Ko January 520. And until the price of the underlying share had moved so much as to make some of these exercise prices look unattractive, that is all the choice that you—and everyone else—would have.

Standardising the product like this means, of course, that it should be possible to arrive at a reasonable price for it.

ADRIENNE GLEESON

CHIEFTAIN AMERICAN TRUST

AN OPPORTUNITY TO GAIN FROM THE CAPITAL GROWTH POTENTIAL OF THE AMERICAN STOCK MARKET

FIXED PRICE OFFER CLOSES ON 31ST MARCH 1978

Chieftain American Trust is a unit trust through which you can have your money invested in North America in a professionally managed selection of shares. If long-term capital growth is your aim then we believe that the American economy—and with it the Chieftain American Trust—represents a most attractive investment.

A RICH AND RESILIENT ECONOMY

As many investors have been told by professional advisers, it is a sensible idea to invest at least part of your portfolio in America.

The wisdom of this advice quickly becomes apparent when one considers the facts which present themselves about the American economy.

It has fought through the difficulties of the world recession, by which it was way less affected than some other countries. In 1977, the national output grew by an estimated 4.7%, and company profits by around 11.4%. Current forecasts of real growth for 1978 are of the order of 4% with a further 10% rise in corporate profits.

Furthermore, the sheer size, scope and sophistication of the American stock exchange provide the opportunity to invest in a wide range of highly marketable stocks.

In short, the American economy is rich and resilient, founded as it is on the notions of free enterprise and unshaken creation of profits and prosperity and long-term prospects for its growth look encouraging.

A TIMELY INVESTMENT

Despite the considerable improvement in the fundamental strength of the economy American share prices have fallen 18% in the past year as measured by the Dow Jones Industrial Index. This decline has been caused mainly by uncertainty about President Carter's policies, and unease about the balance of payments deficit and the relative weakness of the dollar.

It is, however, the view of Chieftain's Managers that current prices present a considerable investment opportunity. Major American share indices stand at an unusually attractive relationship relative to company assets, anticipated earnings and interest rates. In addition, the President is still pursuing an orthodox economic policy with the emphasis on curbing inflation. If his energy policy is successful, the trade deficit, which is small relative to the American economy should be reduced, and in the long term the dollar should return to being one of the world's stronger currencies.

Although we believe that economic growth in 1978 may be slow by past American standards, there are no signs of the kind of recession which alone we believe would justify today's low share prices.

Therefore we believe there is much scope for a change of sentiment and a consequent improvement in the American stock market. However, we should like to

emphasise that Chieftain American Trust should not be regarded as a short-term speculative investment. The prices of stocks and shares rise and fall, and the price of Chieftain American Units will fluctuate accordingly.

Income will be paid annually but those who require principally a high dividend yield rather than capital growth are advised not to consider this Trust.

PORTFOLIO STRATEGY

The portfolio contains about forty stocks, and will continue to be reasonably concentrated. The Managers have not confined themselves to the better known companies but have researched and purchased second-line stocks with attractive prospects.

Currently the portfolio has a particular bias towards companies in the energy sector. However, the emphasis will be shifted as conditions demand. Some Canadian stocks have also been purchased.

A COMPLICATED INVESTMENT MADE SIMPLE

Transatlantic investment has very obvious attractions, but a private individual, investing alone, would need formidable resources of capital, information and investment currency to achieve his objectives.

However, Chieftain American Trust takes the problem off the investor's hands. Your capital can be simply and efficiently invested in shares throughout the American market by full-time investment professionals.

Moreover, a trust has one facility not normally open to the private investor: that of the back-to-back currency loan, an alternative to purchasing investment currency through the dollar premium. At present, approximately 60% of the Trust's portfolio is invested in this way.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chieftain American Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for full details.

APPLICATION FORM

Fill in the coupon and send it now to Chieftain Trust Managers Limited, 30/31 Queen Street, London EC4R 1BR.
I/We would like to buy Chieftain American Units to the value of £500 at 219p each (Minimum initial holding £250).
I/We enclose a remittance, payable to Chieftain Trust Managers Limited.
Tick box:
☐ If you want maximum growth by automatic re-investment of net income.
☐ If you want to know how to buy Chieftain American Units on a regular monthly basis.
☐ If you would like details of our Share Exchange Plan.

YOUR REASSURANCE

Chieftain Trust Managers Ltd. was established in September 1976. Its four trusts, dealing in overseas as well as U.K. markets, have already attracted funds worth over £75 million. This exceptional rate of growth has owed much to the considerable support Chieftain has received from stockbrokers and investment advisers.

The Trustee of Chieftain American Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust's investments, and to check that all purchases made by the Trust are in accordance with the Trust deed; to ensure that the income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price.

If you are a standard rate taxpayer you will generally incur no tax liability when you come to sell.

If you are paying a higher rate of tax at the time of sale, you will be liable to Capital Gains Tax. But, even for the top-rate taxpayer, there is a maximum liability of only 13% (as against the normal rate of 30%).

CLOSING DATE

Until 31st March 1978, units will be available at a fixed price of 21.9 p each, to give an estimated current gross yield of 1.85%. Your application will not be acknowledged, but you will receive a certificate by 12th May 1978. Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

The offer will close if the underlying price of units should differ from the fixed price by more than 21.9p. After 31st March 1978 units will be available at the daily quoted price and yield published in most newspapers.

Chieftain American Units were first offered on 4th April 1977 at 25p each.

There is an initial management charge of 3% included in the price of units. There is also an annual charge of 3.8% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-248 3612 for further details of American and other Chieftain Trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers. Distributions and a report on the fund are made annually on 1st March.

This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., 30/31 Queen Street, London EC4R 1BR. Telephone 01-248 2932.

The Directors of Chieftain Trust Managers Ltd. are P. L. Potts, M.A. (Chairman); R. J. D. East, M.A., M.B.A.; J. D. Gillett, B.Sc.; I. H. A. Hazeel, F.C.I.S.; A. L. F. K. Tod.



CHIEFTAIN
TRUST MANAGERS LIMITED

I/We declare that I am/We are over 18 and not resident outside the U.K. or Scheduled Territories and that I am/we are not acquiring the units as nominees (if any persons) resident outside the U.K. or Scheduled Territories (if you are unable to sign this declaration it should be deleted and your application lodged through an authorised depositary).
SURNAME (MR/MISS/MS)
FIRST NAME(S) IN FULL
ADDRESS
CITY
POSTCODE
If there are joint applicants all must sign and attach names and addresses separately (Reg'd office as above. Reg'd no 241018)

HOLIDAYS in South Africa

Room to move

BY ROBIN MEAD

SIZE IS what many British visitors are aware of first. As we slipped towards Johannesburg the pilot of my jumbo pointed out the swamplands of Botswana below—and even at 600 mph it took us half-an-hour to cross this wet, deserted wilderness. In South Africa itself the deserts, the beaches, the roads, and even the farmlands seem to stretch for ever.

It is not so very long since only animals roamed here on the High Veld, 6,000 feet above the sea; now suburbia (and the world's highest concentration of private swimming pools) spreads rapidly outwards and threatens to link Johannesburg with Pretoria, 30 miles away.

From the rooftop bar of the Carlton Hotel one gets a bird's-eye view of this extraordinary mining town—and by the swimming pool one can also burn quickly in the deceptively strong sunshine. There is a good variety of night life in the city during the week, and shopping and hotels are excellent. I particularly liked the Landroest Hotel, which is used by several inclusive holiday operators.

More luxury is to be found on the famous "Blue Train," which links Pretoria and Johannesburg with Cape Town, more than 1,000 miles, to the south. Although geography and the narrow gauge track combine to make it a slow journey with the train averaging only 40 mph during the 25-hour trip, it is certainly a comfortable one.

Only 108 passengers are carried on this all first-class train, and they are looked after by a staff of 26. During lunch in the roomy restaurant cars, with their extensive international menus, you cross the farmlands of the High Veld; coffee in the lounge, a sleep, a shower, and you are in Kimberley; and then it is time for drinks in the bar and dinner as the train starts its crossing of the empty desert land known as the Karoo.

Individual compartments (or even suites) convert into comfortable bedrooms, and the double-glazing and air conditioning ensure the kind of night's sleep that British Rail never dreamed of. By the time you are woken with a cup of tea and—magically—a morning newspaper you are in the beautiful Hex River Mountains just north of the Cape. "If we went any faster," explains the conductor,

with unanswerable logic, "you would miss all that scenery."

Below the mountains Cape Town sizzles in the sunshine, complacent in the knowledge that it must have the most dramatic and picturesque setting of any port in the world excepting, perhaps, Rio. Not surprisingly the best view of the Cape is from the 3,500 feet summit of Table Mountain—a spot to which a cable car will whisk you.

Table Mountain, one discovers is not nearly as flat on top as its outline suggests, and you need to clamber around to find the best viewpoints. At one spot an engraved map helpfully points out the direction and distance to the world's major cities (London: 5,958 miles to the north).

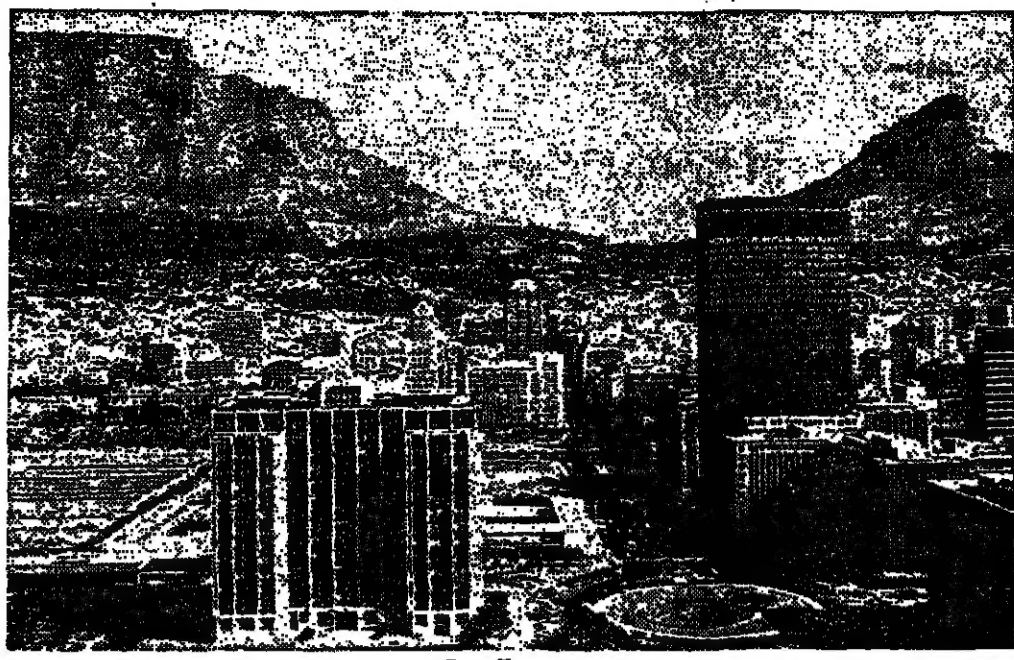
But, as well as the port itself, the 30-mile long Cape peninsula is worthy of exploration. I drove down the coast past the mountains called the Twelve Apostles (in fact somebody miscounted; there are only 11 peaks) and past the caves known locally as "the Bikini Beaches" because, allegedly, it was here that well-known item of bathing apparel first made its appearance. People who believe that these beaches are still trend-setters may care to note that one of them is now being used by naturists.

Turning inland one reaches the museum and vineyards of Groot Constantia, where a Cape Dutch-style farmhouse gleams whitely at the end of an avenue of oaks, and doves purr insistently in the trees.

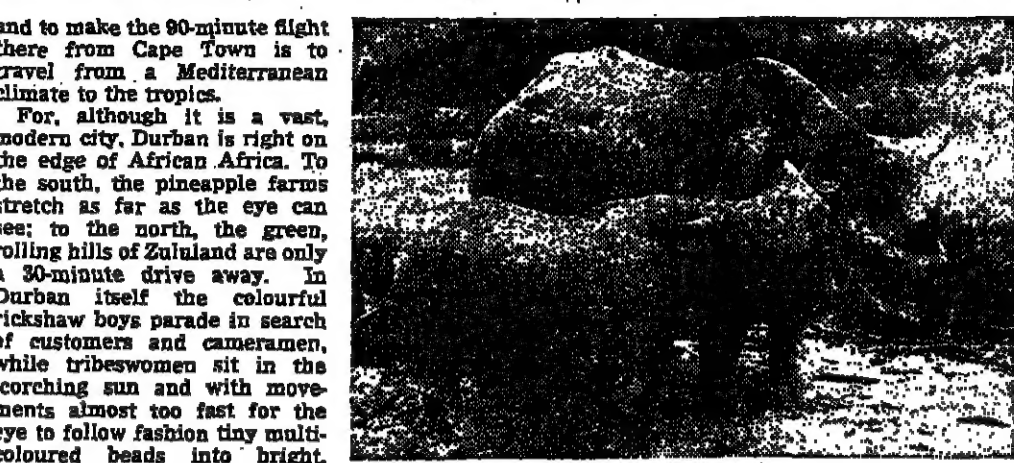
The past grandeur of this area continues into the present in the imaginatively-planned national botanical gardens at Kirstenbosch where, in the spring, the proteas or sugarbush, South Africa's national flower, swamps the mountainside above more formal beds of indigenous plants. It is a quiet and lovely spot.

Cape Town itself, however, is far from quiet. There are no cruising taxis, and getting to or from a beachfront hotel can be difficult. It is best to stay centrally, perhaps at the magnificent Mount Nelson, South Africa's most famous five-star hotel, which stands in its own grounds and is known irreverently to its regulars as the "Nellie."

After Cape Town, South Africa's most famous seaside resort is undoubtedly Durban,



Cape Town



White rhinos

and to make the 90-minute flight there from Cape Town is to travel from a Mediterranean climate to the tropics.

For, although it is a vast, modern city, Durban is right on the edge of African Africa. To the south, the pineapple farms stretch as far as the eye can see; to the north, the green, rolling hills of Zululand are only a 30-minute drive away. In Durban itself the colourful rickshaw boys parade in search of customers and cameramen, while tribeswomen sit in the scorching sun and with movements almost too fast for the eye to follow fashion tiny multi-coloured beads into bright, cheerful souvenirs.

Durban's golden beaches are, of course, internationally famous, although it is important to swim only at the marked spots because the Indian Ocean surf has a powerful and dangerous undertow which can sweep even unadventurous paddlers off their feet. The city is also an exciting centre for touring in a hired car—the roads are good, uncrowded, and South Africa drives on the left.

Indeed, the problem about a holiday in South Africa is not deciding how to spend your time—it is deciding how to cram in everything that you want to do. The country's claim that it is "a tourist paradise" is hard to dispute despite the political problems, and there is an awful lot to see.

One would not want to miss Pretoria, the country's administrative centre and a bright, clean, modern city. The forts which once surrounded Pretoria are being turned into museums attractive to tourists designed to show visitors as much as

possible of the country—such as the two-centre holiday in Johannesburg and Cape Town (two weeks from £470; Speed bird); a 16-day holiday which incorporates a one-week "Swazi" tour (from £607; Rankin Kuhn); and a 24-day "Safari" tour which includes visits to game parks and most of the country's principal sights (from £795; Sovereign Holidays). South African Airways also fly non-stop between London and Cape Town once a week (from £332.50 return).

Inclusive holidays start at about £380 for two weeks in Johannesburg (Sovereign Holidays), and include a number of attractive tours designed to show visitors as much as

possible of the country—such as the two-centre holiday in Johannesburg and Cape Town (two weeks from £470; Speed bird); a 16-day holiday which incorporates a one-week "Swazi" tour (from £607; Rankin Kuhn); and a 24-day "Safari" tour which includes visits to game parks and most of the country's principal sights (from £795; Sovereign Holidays). South African Airways also fly non-stop between London and Cape Town once a week (from £332.50 return).

Inclusive holidays start at about £380 for two weeks in Johannesburg (Sovereign Holidays), and include a number of attractive tours designed to show visitors as much as

Games in the park

IT WAS, I felt, rather like something out of a television "big game" spectacular, as the beautiful blonde white huntress and I sped across the plain in search of the huge bull rhino which, just a few hours earlier, had suddenly departed from its pen (made of tree trunks) in the camp compound.

Occasionally we stopped: once to watch a herd of decoratively-striped zebra, another time to say hello to a friendly giraffe which let us approach to within arm's length and gazed loftily down at us with soft brown eyes. "Always stand so that there is a bush or something between you and the giraffe, however friendly it looks," said the white huntress, prosaically. "One kick would kill you."

The warning brought me down to earth again. I was not an intrepid explorer, but a passenger in the extremely uncomfortable rear portion of a Japanese-made truck jolting over the veldt; the beautiful white huntress was not a film star, or even a huntress, but the wife of one of the wardens at Hluhluwe, a game park in the South African province of Natal.

And the rhino was not a rogue beast which had escaped, but a specimen from another park which was being deliberately introduced into Hluhluwe to increase the herd.

We were lucky. Of the dozens of parties out in the reserve that day, we were the ones who witnessed the dramatic moment when the giant bull met up with the rest of the herd. He crashed through some bushes and suddenly came face to face with them — another hefty white rhino bull, a smattering of his womenfolk, and one tiny calf.

The bulls peered at one another short-sightedly for long minutes, approached, and experimentally tried to shoulder one another aside — an action which the game warden's wife described as "playing" but which still shook the ground where we sat 100 yards away. "Eventually they will fight, and perhaps divide the cows," said my guide. "But not yet."

A party of hikers, led by an African armed only with a stick, came and watched the rhinos with us as the animals frolicked on a motorway. I politely declined an invitation to join the walkers as they set off back to camp via the swampland below us, and we stayed a little longer.

The rhino calf charged us half-heartedly a couple of times, watched proudly by its dotting mother, but stopped whenever it got near the truck, as if overcome by its own timidity. Eventually mama got tired of the game, and chased us ignominiously away. When several tons of rhinoceros is charging towards you at full speed you don't stop to argue—even if you are in a truck.

It was just one afternoon in one of South Africa's many game parks—an afternoon of absorbing interest, unbelievable colour, and occasional heart-stopping excitement. And if smaller game parks like Hluhluwe do faintly resemble a huge open-air zoo, it is all part of the equation which makes conservation work: the wildlife attracts tourists, and the tourists provide the money to protect the wildlife.

This is an equation which worries many experts. They feel that in many parts of the world wildlife is becoming too dependent on tourism and may consequently suffer, for example, political or economic troubles reduce the number of tourists.

In fact it dates back more than 300 years, to the days in the 1650s when the Cape of Good Hope's first colonists engaged in an orgy of hunting which threatened to wipe out all the game in the Cape area. In 1656 the colonists' leader, Jan van Riebeeck, acting on behalf of the Dutch East India Company, promulgated South Africa's first game laws—and also set aside as a preservation area the flower-filled slopes at the foot of Table Mountain which to-day comprise the justly-famous Kirstenbosch Botanical Gardens.

And it is going to stay that way. As a National Parks Board spokesman said: "Of course civilisation will creep nearer to the park. But it will never get inside—not even if they find gold there."

In South Africa, sacrifices do not come any bigger than that.

other national leaders were to follow as the colonists spread across the country, and which culminated in the setting up of the Kruger National Park, an area the size of Wales, in the extreme north-east of Transvaal 80 years ago.

To-day there are eight nationally-owned game parks in South Africa, and literally dozens of state-owned parks. And, although they are a tremendous tourist attraction, the authorities insist that the parks' principal role as conservation areas should be given priority. A request that the huddled encampments which visitors can use in the Kruger National Park should be equipped with swimming pools was recently turned down on the grounds that the park was not a holiday area.

The conservation laws are backed by harsh penalties, and anyone caught taking a pot-shot at a rare animal, or even picking a protected flower, faces the confiscation of his car, a heavy fine, or imprisonment.

Fears that the establishment of native "homelands" may affect the game parks—particularly in areas like Zululand, in Natal, where the elimination of the tsetse fly has turned the game parks into good prospective farmland—seem unfounded. The Zulus are pledged to protect the game reserves and have also pointed out, rather dryly, that it was white settlers armed with guns who created the need for such parks in the first place.

The National Parks Board go even further. The same parks will, they say, be preserved "at all costs." And that is good news for anyone who has toured the magnificent Kruger National Park, the 19,000 sq. km. of bushland which attracts thousands of visitors every year on everything from flying Comair day trips out of Johannesburg to fortnight-long photographic safaris.

You need time in the Kruger National Park, because of its sheer vastness. The animals are harder to find than in the smaller parks, especially if the weather is wet and they have no need to use the strategically-placed waterholes, but there is none of the specialisation that the smaller parks are going in for. This is the real thing—the real South Africa.

And it is going to stay that way. As a National Parks Board spokesman said: "Of course civilisation will creep nearer to the park. But it will never get inside—not even if they find gold there."

In South Africa, sacrifices do not come any bigger than that.

How to get there

BRITISH AIRWAYS and South African Airways both have daily flights between London and Johannesburg, and return fares outside the main season start at £250—an Apex fare which means booking and paying for the flights three months before departure. South African Airways also fly non-stop between London and Cape Town once a week (from £332.50 return).

Inclusive holidays start at about £380 for two weeks in Johannesburg (Sovereign Holidays), and include a number of attractive tours designed to show visitors as much as

possible of the country—such as the two-centre holiday in Johannesburg and Cape Town (two weeks from £470; Speed bird); a 16-day holiday which incorporates a one-week "Swazi" tour (from £607; Rankin Kuhn); and a 24-day "Safari" tour which includes visits to game parks and most of the country's principal sights (from £795; Sovereign Holidays). South African Airways also fly non-stop between London and Cape Town once a week (from £332.50 return).

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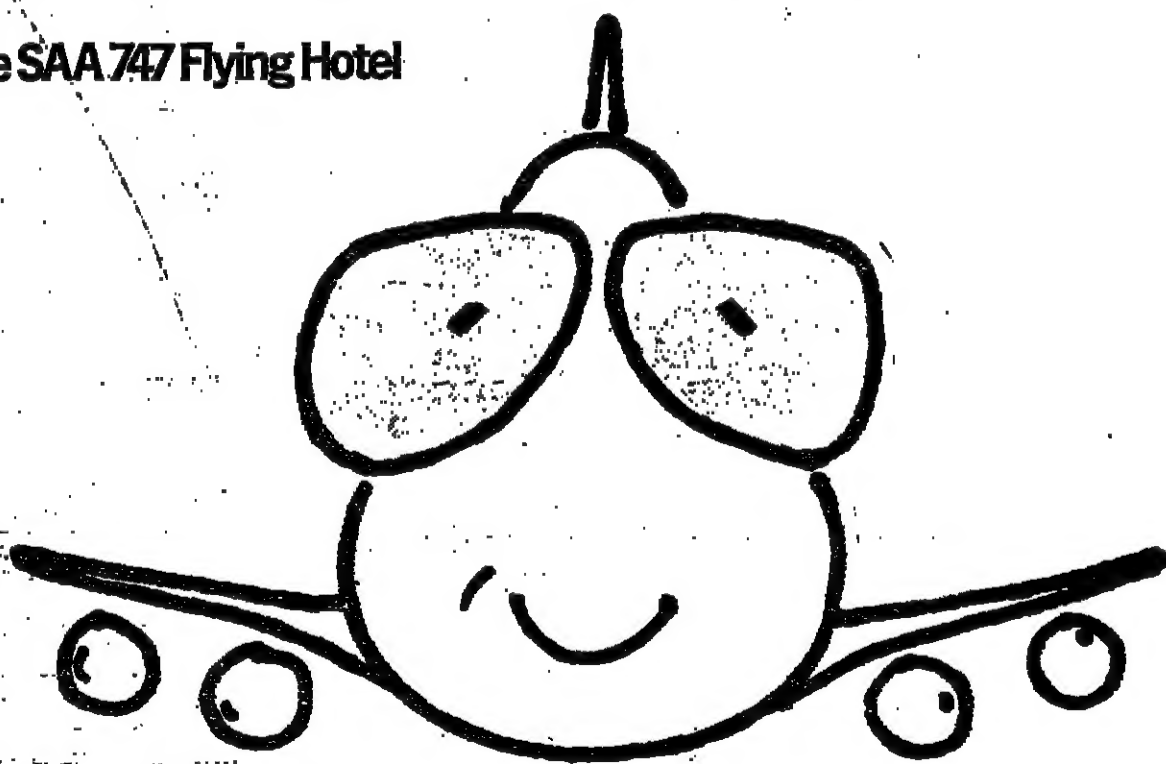
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The Sun Set

MOTORING

Flagship of the fleet

BY STUART MARSHALL

FROM CALAIS to Geneva is almost 500 miles. If you take the autoroute as far as Maastricht and then the 65 miles of jagged, narrow, winding road through Bour-en-Bresse and Nantua.

It is not a difficult run. In summertime, if you catch an early ferry from Dover, the whole trip can be completed in daylight. But in February, the first Townsend best left at 9 a.m. and French time was still an hour ahead of our own. So, as I drove out of Calais, fortified by a breakfast of Edwardian grandeur taken in the restaurant of Free Enterprise III, the time was close to mid-day.

Seven hours, 445 miles and a snack lunch later I pulled into a hotel at Maun. I was feeling so fresh that the only reason I had not driven straight on to Geneva was that, with the Swiss franc a little over 3.50 to the pound, one doesn't lightly spend even one extra night there.

The car that had carried me and my three passengers so swiftly and comfortably along a rain-swept autoroute was a BMW 733i.

This flagship of BMW's saloon car fleet is powered by a 2.3-litre, six-cylinder engine with fuel injection and an output of

127 bhp at 5,500 rpm. Most British buyers in this price class prefer automatic transmission, but my car had a four-speed manual gearbox. In every way, the big BMW epitomises driving pleasure.

It sets a standard of luxury-cum-efficiency that most other cars at the top end of the executive market would be hard put to it to equal, let alone surpass.

The 733i is a supremely good car for long distance driving. High gearing makes it long-legged, doing 70 mph at 3,000 rpm and the rev. counter is only just past the 4,000 mark at 90 mph. Engine noise at this kind of speed is just a muted hum though wind roar mainly caused, it would seem, by the big outside mirror) is starting to make itself heard. But it is not really bothersome and is no louder at 100 mph, which is a practical day-long cruising rate on the autobahn, with another 25 mph or so in hand.

Third gear is good for an easy 80-85 mph without setting any way near the recommended 4,400 rpm rev. limit. I took the BMW up to 80 mph in third now and again to dust off a line of fumes, but the engine is so muscular in ton from 45-50 mph upwards that petrol-wasting high revs are rarely necessary.

This flexibility, combined with

a slick gearshift and light clutch, also makes the 733i an effortless car to drive in traffic.

I began the trip by telling myself I would stick strictly to a 75-80 mph cruising rate on the autoroute but gradually my speed crept up. The temptation to hold an ill-belt 95-100 mph on deserted stretches takes a lot of resisting. And it needed iron control, too, not to use this kind of cruising speed on some of the arrow straight, eerily empty "D" roads to the east of the Autoroute du Soleil.

This can hardly be called economy-conscious motoring, yet the BMW was surprisingly light on fuel. Overall consumption for a 1,237-mile round trip, consisting mainly of fast open-road driving but with some local running in and around Geneva, was a frugal 22.63 miles per gallon. Filling the tank once the reserve light starts flashing takes 73 litres (16 gallons). That costs 175 francs (a few coppers under £30), which makes one realise just how cheap British petrol is on the European price scale.

The BMW's ride is really excellent. The all-independent suspension is soft enough to let the car flow over cobbles and frost-broken minor roads but



BMW's flagship—the sleekly styled and superbly mannered 733i.

goes where you point it and the power assisted steering offers an ideal compromise between lack of effort and retention of road feel. The Michelin XDX tyres are more shock absorbent than some high-speed steel-belted radials but have quick steering response and gave not a moment's anxiety on roads streaming with water. The BMW, for all its 16 feet overall length, combines the nimbleness of a small car with the sheer comfort of a limousine.

At first the cloth trimmed seats felt firm but they kept all aches and pains at bay during 300-mile daily stints for driver and passengers alike. Leather

is generous for rear passengers and the boot is enormous. Not only did it swallow four people's luggage; there was room to spare for two dozen bottles of red Bordeaux that were too good a special offer at the hypermarché to pass up.

The layout of instruments and minor controls is ergonomically impeccable; whatever you need is within fingertip reach and

is within fingertip reach and a strip of make-believe wood veneer, the BMW's interior is all of black plastic mouldings of such high quality they make those in lesser cars look pretty rough by comparison.

Standard equipment includes a test panel for push-button checking of things like oil, water, brake fluid and screenwash reservoir levels before you drive off in the morning. The exterior mirror is electrically adjustable; there is a central door locking system; the heater fan has six speeds; and there is even a first aid kit concealed in the rear seat armrest.

At £12,149 the BMW 733i is in a fairly rarified price class and beyond the reach, alas, of most of us. But a 1,250-mile drive in one shows where the money has gone and proves once again that with cars, like everything else, you get what you pay for.

GOLF

A legend in his spare time

PERHAPS THE MOST endlessly fascinating aspect of the game of golf at all levels is the way it comes and goes from one's life with each successive day, in most cases luring the unfortunate victim back for more. Whether the next dose will provide elation or exasperation is always open to suspicion. I have lost count of the times I have felt completely ready to lay the game of my life, only to find myself absolutely divorced from his ability to score. There have been countless examples of this type of tragedy down the years. But I am not referring to the golfer who has been around so long at the top that his nerves eventually betray him on the putting green, and makes a frozen lurch at the ball whenever he is within virtually arms-reach of the hole. The unfortunate victim of fate to whom I am referring is rather he who loses his game almost overnight.

A touching and dramatic moment occurred at the notoriously difficult Sawgrass course near Jacksonville, Florida, last week during the Tournament Players' Championship which perfectly illustrates the point I am trying to make. The U.S. Masters and Open champion, Tom Watson, started the season as if he was intent on making Jack Nicklaus a hawk number once and for all. He won the first tournament of the year at Tucson, tied for 17th in Phoenix the following week, then won the Crosby and was joint 11th in defence of his title in San Diego.

In Hawaii he slumped to a share of 23rd place, but immediately redeemed himself with a 5th place finish in the Bob Hope Desert Classic at Palm Springs, pocketing a cheque for \$9,225 on February 13 that took him to a total for 1978 of \$103,181. Since then he has not won a cent, missing the cut both in Doral and Sawgrass.

Watson's current minor problems, however, are tiny in comparison with those being endured by Johnny Miller. Since he won the U.S. Open in 1973 to establish himself as a household name, Miller set an all-time record money-winning figure in 1974, when he amassed \$333,021. He won eight times in America that year, and four the next when winning \$226,119 for second place in Nicklaus's season for the first of 18 top but twice, but still took home the tidy sum of \$135,887 for 14th place. Last year, though, Miller finally learned, as he time

GOLF

BEN WRIGHT

guidance, whenever his name goes sour. Apparently Miller received an annual letter at Sawgrass, when yet again failed to make the cut, from Nicklaus, saying that he left the

Watson's performance here this week will be watched with interest in view of his much awaited clash with Nicklaus in defence of his Masters title at Augusta—two weeks hence.

This is ridiculous, of course. But when Watson won the Open Championship in epic fashion from Nicklaus last July, at Turnberry, he paid Jack a compliment that I believe is the chief reason why Nicklaus has made joint 11th in defence of his title in San Diego.

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The tide turns for Cambridge

WHILE OXFORD MUST still go to the stakeboats as the marginal favourites for this year's Boat Race, despite problems with sickness this past week, it is now clear that they will have to work hard to achieve the hat-trick of victories they desire. Al Shealy, their anchor-man at six and an American world champion oarsman, suffered a recurrence of stomach trouble in the middle of the week, and was out of the boat. The crew still hopes to be able to clide him to-day, but any rearrangement at this late stage must weaken Oxford's chances of success. The only compensating factor is that Cambridge this past week have not shown any last-minute flashes of brilliance, either, especially in the difficult conditions prevailing on the Tideway, and much must now depend upon the weather and water conditions to-day.

The Tideway can be a fractious and cruel place, with swift and unpredictable changes of mood. A race can start at Putney in appalling bad water and finish at Mortlake smiling round. Earlier this week, in one outing, both crews experienced first, near-sinking conditions and then record-breaking conditions, such is the freakishness of wind and stream on this twisting reach of the river. It does not take long for combinations of wind and water to knock the stuffing out of the fittest and strongest oarsman, quickly exhausting him and reducing a once-cohesive crew to a shambles.

If the weather is moderate, however, with a light wind and comparably unfrustrating stream, it seems likely that victory will go to the crew that can establish a lead before the end of the first mile, and certainly by Hammersmith Bridge—by which

point the outcome of the race is so often settled. Oxford, as the lighter crew, have shown that they can get away very fast and cut through rough water, well, even when rowing with a substitute.

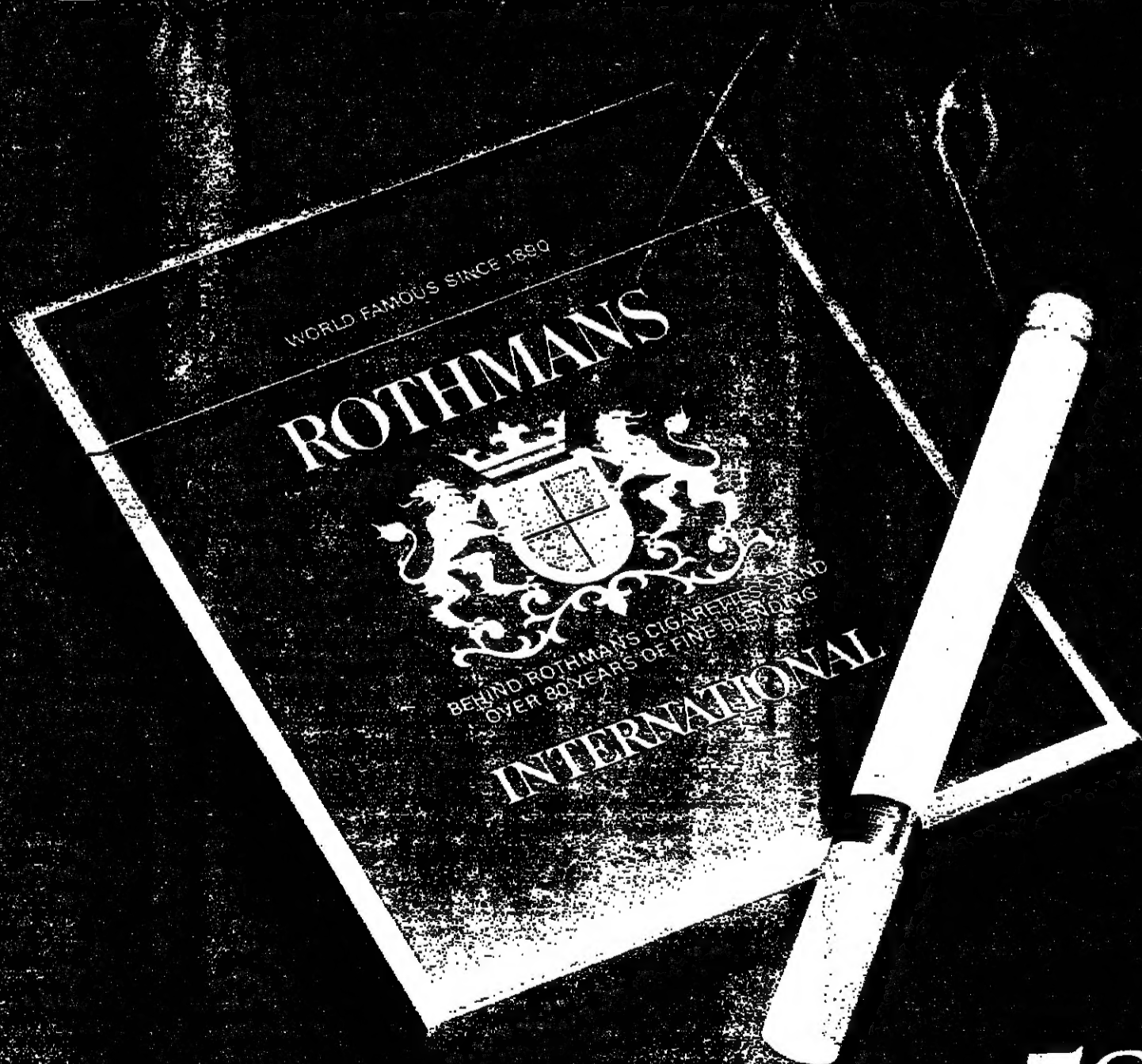
Andy Mitchellmore, the Australian lightweight champion who is this year's Oxford stroke, is a formidable fighter who can be expected to keep his crew tightly knitted together. Earlier this week they showed that they were responsive with a strong and powerful stride.

The Cambridge crew, with five of last year's crew rowing again this year, led by Mark Horton, their president, in the number four seat, start the undertone determined to prevent a run of Oxford victories. Their performance in final practice has not pleased the pundits, but this does appear to have worried the crew.

For the Boat Race is more than a battle of brute force between two superbly-trained crews. It can be won or thrown away by a combination of many factors—including the skill of the rowers in mastering the Machiavellian tricks of the Tideway, the experience and stamina of the oarsmen, and their own compatibility.

temperament; the ability of a stroke to coax his crew to the final stages of exhaustion in pursuit of victory, especially under difficult conditions; and especially winning the toss as to claim choice of station, go to the crew that can establish a lead before the end of the first mile, and certainly by Hammersmith Bridge—by which

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HOW TO SPEND IT

Allo, Allo, Paris!

It's a long time since I was in Paris in the spring but now that the pound is rising, the sun is shining (some of the time) and we all feel a bit more expansive it seems a good moment to take a look at what has happened since last I was there. I asked ARIANE CASTAING, who used to live in England and now divides her time between Paris and the

Touraine to guide us on what to see and where to go and what to buy. She has mentioned few of the obvious tourist "musts" (any guide book will give you those) but has concentrated on the slightly more out-of-the-way ideas, the sort of places that only the Parisian knows about. Her husband, the Paris-based photographer, JACK NISBERG, took the pictures.

FROMENADES

ALWAYS there are the quails with the bouquinistes above and the eternal Seine below. Bargains are still to be had in old engravings, magazines, books and posters. On the Quai de Conti just before the Pont Neuf there's a bouquiniste who sells reproduction postcards of naughty ladies from the Belle Epoque. Moon collectors and thus rocketing prices make these reproductions seem reasonably priced (Fr.1).

The Marché aux Foyers is for the arts connoisseurs. Open Saturdays, Sundays and Mondays. Get there early if you want to find a bargain but the passing pageant is worth a visit anyway. The weekend in front of the stalls of antiquaries and brocanteurs (second-hand dealers) is full of clothes—both old and new; everything from granny nighties and 30s slips to punk gear. A paradise for the young and energetic—but walk you must, so wear something comfortable.

The city of Paris is going all out to create little (almost) pedestrian-only streets—and they are charming. The rue St. André des Arts which runs from the busy Rue de la Harpe through to the Place St. Michel is one well worth exploring and the front of Notre Dame, now pristinely paved to hide an underground car park, has suddenly turned into a sort of student campus with all the accompanying improvised concerts from bearded guitarists and tired young tourists.

But the newest outdoor space for strolling is around the Centre Beaubourg (or commonly known as the Centre Pompidou) which has become as absorbed into the life of everyday Paris as the Jardin Luxembourg. There is a whole crop of new galleries and specialist boutiques and many old cafes. Astonishing though it is in daylight, the Centre Beaubourg is at its best at dusk as the lights come on in the boutiques, close up and people come home from work. The nearest metro stops are Hôtel de Ville and Rambuteau. The Beaubourg has its own excellent self-service restaurant, which is rated good value for money. But for a more "sympa" atmosphere and a hot place to go to the Brice, a new bistro in the little street of the same name just opposite the entrance to the Beaubourg. About Frs.30 a head for a plot with a carafe of wine.

EATING OUT

The best gastronomic events for the price are the Vietnamese restaurants. They are everywhere and the cuisine is totally different from Chinese. Many of the dishes centre around a garnish of salad leaves and fresh mint which is rolled with some sort of fish or meat in a little packet of rice flour and dipped into a piquant sauce. Two good addresses: The Van, 6 rue de Poissy Seme. Tel: 326 30 56 (try their fondue Vietnamienne Frs.22) and Quang Binh at 17, rue de l'Ecole Polytechnique, Seme. Tel: 326 10 40 (all the specialties are excellent). Try the (vin blanc cassis). A finger of poulet en papillote Vietnamese. Both these restaurants are small wine bars, top up with any vin family affairs with a faithful blanc sec and you have the per-



Naughty ladies from the Belle Epoque—from a series of reproduction postcards selling at Fr.1 each from a bouquiniste, Quai de Conti.

ellente, so book a table if you plan to eat like most Parisians around 8.30-9 p.m. Between Frs.30 and Frs.50 a head depending on what you drink.

A haven for anyone celebrating a departure, or arrival around the Gare du Nord, or Roissy for that matter, as there is a direct train, is the Brasserie Terminus Nord, 23 rue de Dunkerque. Tel: 324 48 74. The terrace is open for coffee, snacks and drinks from 6 a.m. and the restaurant, with its enchanting Belle Epoque from 11 a.m.—both through to midnight. Rather fashionable because it is owned by the Brasserie Flo and Chez Julien people—book if you plan on dining.

INFO IN ENGLISH

For an intelligent eye view of what's on in and around Paris in the current copy of the Metro. Out fortnightly (the most recent edition was March 18) it is available from all large bookshops. Highly readable articles on everything from current events to bargains buys and jazz concerts. Newspaper format—it is worth the five francs.

TO TAKE HOME

A bottle of Creme de Cassis from any supermarket, epicerie, or wine store (Frs.13 to Frs.20) is the essential ingredient of the magic cassis in the bottom of your glass, top up with any vin family affairs with a faithful blanc sec and you have the per-

SOMETHING TO WEAR

An Printemps have just opened a new prêt à porter fashion department on the fourth floor of their Nouveau Magasin. Called the rue de la Mode, many of the big names from the p & p scene like Louis Feraud, Daniel Hechter, Torrente, Ted Lapidus, Guy LaRoche all have boutiques—the colour theme throughout for this spring: soft beiges, greys and browns.

Lemon is the name of a very with-it boutique at 8 rue du Four, Seme. They have a large range of the latest baggy topped narrow legged trousers and lots of floppy feminine blouses.

At Altona, 8 rue de l'Odéon, there is a charming range of cotton knitwear designed by Caroline Freese. She also sells that so hard to find narrow-knit tie for Frs.45 (88 if you want it in suede). Cerruti have also recently re-launched the narrow knit tie which is good news for all those men who never got around to giving them up.

At Feuilles de Vigne Magdelaine de Lémont has a range of reasonably priced feminine dresses, skirts and blouses. Nothing over Frs.350. 59 rue Dauphine, Seme and 6 rue de la Grande Truanderie Ière near the Beaubourg.

BARGAINS GALORE

Always worth browsing through are the large Monoprix and Frisnack stores—the latter at 60 Ave de Champs Elysees is open every night from Monday to Saturday until 10.30 p.m. For bargains by the yard go to the Marché St. Pierre (Metro Barbès-Rocheschaux) at the foot of the stairs leading up to the Sacré Coeur. The lead role here is played by the Maison Dreyfus with four floors of marked down cottons, silks and many couture fabrics and household linens. It is open all day Sat and through the week from Monday afternoon.

Galerias Lafayette has a bargain basement with clothes, china, make-up—everything in a happy jumble at reasonable prices.

For bargain hunters with smallish feet the Bally Shop on the corner of the rue du Louvre and the rue de Rivoli has a permanent sale boutique which is worth a visit.

FOR GARDENERS

The garden shop in Paris is Despalles at 76 Boulevard St. Germain. Pots from Provence, baskets, books, seeds, exotic plants—a fine watering can with a brass rose (Frs.112 for the three-litre size), large umbrellas in post-box red or stormy blue as worn by real Auvergnat shepherds and those lovely tin cats, Frs.15 (Frs.5.50 heads only) with their glittering marble eyes that aim to scare the wits out of every marauding bird.

OFF-BEAT

From Despalles it is worth window shopping one's way up the Boulevard St. Germain towards the Pont de Sully. Many unusual shops—including a karate shop at No. 32 and the best shop for corks, corkery and everything to do with bottling in Paris (Comptoir Générale de Bouchage, at No. 30).

BLONDES A COUPER?

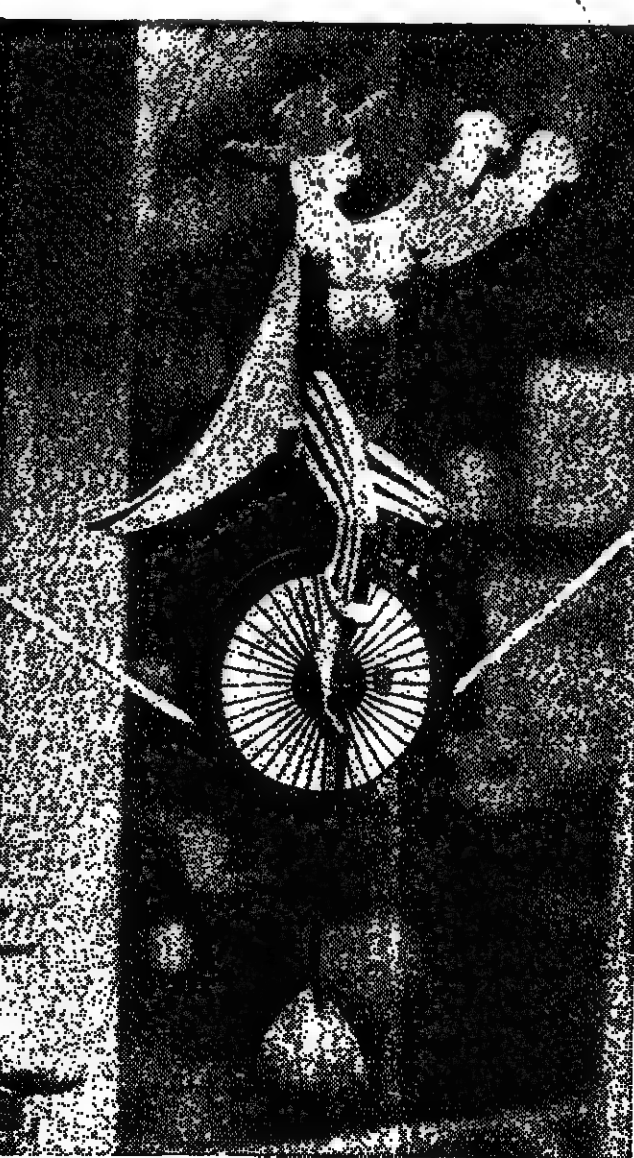
The latest bright star of the hair scene is Gilles St. Georges who has just opened his large airy salon Madeleine Plaz, at 1, Avenue President Wilson, Seme. St. Gilles coiffes many of the most beautiful heads in Paris (he claims to specialise in blondes) but brunettes seem to turn out rather well too. A cut and blow dry (le brushing) when Georges holds the scissors works out at around Frs.150.



Scary cats to frighten off marauding birds, made from tin with glittering eyes. Frs.15 from Despalles, 76, Boulevard St. Germain.



Preposterous life-size ostrich by Lenotre, all made of sugar from the exhibition Sucre d'Art, currently on at the Musée des Arts Decoratifs.



A jolly wooden clown on a bicycle from Oggetto, 143, rue St. Martin, Frs.253.

FOR THE HOUSE

Also near the Centre Beaubourg—and for my money the best new boutique in Paris for kitchen things, toys and accessories—is Oggetto, 143, rue St. Martin, Seme. They have another branch at 6, rue L'Arbat, Seme. Here really is some unusual merchandise from Frs.5 to Frs.500. Everything well made and chosen with taste and wit.

For lovers of patchwork quilts and Americana, Diane Armand-Delille's adorable shop Le Rouvray at 1 rue Frédéric Sauton, Seme, is worth a visit. Her collection of decoy ducks from the Great Lakes is really covetable. Handcarved, sometimes signed, sometimes dated, they don't seem overpriced at Frs.200 to Frs.300 apiece.

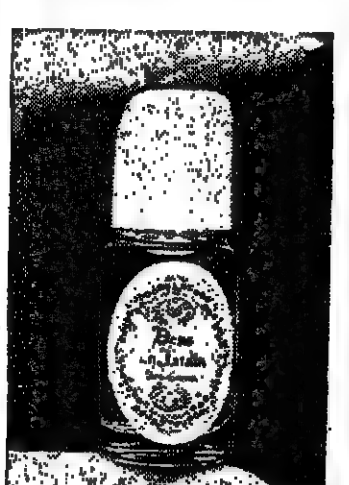
FOR FUN

On the Ile Saint Louis at 11 rue des Deux Ponts there is a brand new shop called Prohibition. Why not? It specialises in games and one-armed bandits (these from Frs.2,000 to Frs.5,000) and there are some rather nice old backgammon sets in wood for around the Frs.400 mark—also a range of charming inexpensive games for all ages.

SMELLING NICE

The newest range of delicious scents, bath oils and soaps called *Dons Un Jardin* can be seen in all its glory in a mini-boutique at Galerias Lafayette where the resident alchemist will mix you up a personalised perfume and stamp the soap of your choice with your own initials.

Now sold throughout France, some of this excellent range (perine, chevre-feuille, lotus, fleurs de pommiers and many others) is available in London at Rahn, 42 Piccadilly Road but nothing as yet on the GL scale. A dolly-sized facon of perfume concentrate costs Frs.25, a box of three bath soap tablets, Frs.35 and a pretty 8 ounce bottle of body lotion is Frs.39.



Delicious floral scents from *Dons Un Jardin* are to be found at Galerias Lafayette.



Superb bathroom accessories are to be found at L'Epi d'Or, 7, rue St. Jacques, 5ème. This brass or nickel-plated hook is Frs.125.

NIGHTLIFE

Best show in town is at the new Latin Paradise on the rue Cardinal Lemoine. Book through your hotel.

ICES

Berthillon, at 31 rue St. Louis en l'Île (Metro Pont Marie). Tel: 033 31 61, has deservedly the reputation of making Paris' favourite ice cream. Queuing is almost obligatory on a sunny afternoon (it is closed on Mondays and Tuesdays) if you want to eat your kiwi sorbet in the street—otherwise you can sit at a table indoors. An event not to be lightly undertaken.

Far, far away and definitely worth the voyage for aficionados of Italian ice cream is Raimo, at 58, Boulevard de Reully, 12ème (Metro Daumesnil). Tel: 343 70 17. Here on a balmy night or day you can sit out of doors and eat your way through a surprising amount of coupes and sorbets. Open every day (except Monday) from 8.30 a.m. through to midnight.

DON'T MISS

Sucre d'Art. At the Musée des Arts Decoratifs, 107 rue de Rivoli (metro Tuileries) there is a perfectly fantastic exhibition devoted to sugar. Preposterous *pièces montées* by some of Paris' leading pâtissiers (a life size ostrich all in sugar from Lenotre), adorable Easter lambs from Sicily and the macabre little sugary skulls and back-to-the-tomb cult figures made in Mexico at All Souls. There are also paintings, sculptures and engravings and some amazing documentation for the dedicated sugarophile. Open from midday through to 6 p.m. every day except Tuesday (like all French museums). It's on until April 17 so early as it's bedlam by mid-afternoon.

Paris' newest museum and an offshoot of the Musée des Arts Decoratifs, who have been sitting on their poster collection for years, is the Musée de l'Amélie at 10 rue de Paradis.



Detail from Savignac's marvellous poster announcing the exhibition covering three centuries of French poster art.

(Metro Chateau d'Eau). Here is an example of where the setting for the show (in this case a marvellous 19th century pottery complete with giant decorative ceramic panels from the Belle Epoque) almost steals the show from the posters. But not quite. The posters are incredible. This is the first exhibition (it opened only last month) covering three centuries of French poster art.

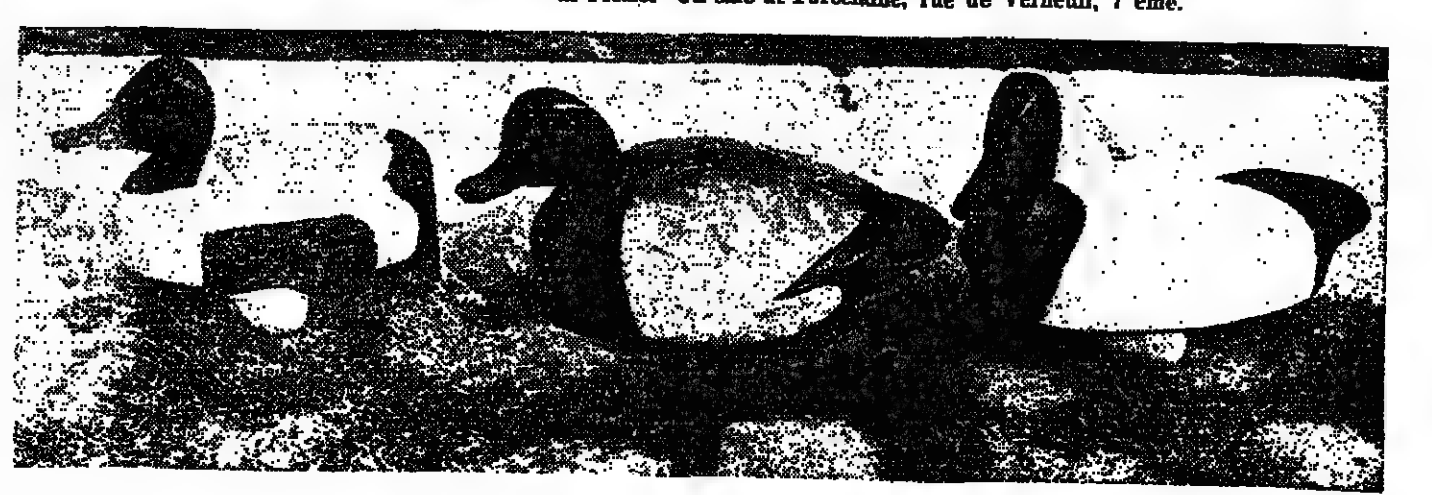
There are many favourites—originals by Toulouse-Lautrec, Mucha, Chéret, Berthoin, Loupot and Schwabe from the turn of the century and the twenties; many surprises and names we have all come to know and love, like Follon, Savignac and André Françoise working to-day. Open midday until 6 p.m., the current exhibition runs until the end of August.

Harold Robbins' film *The Betsy* has just opened before it comes to London (English version is at the Mercury on the Champs Elysees). Laurence Olivier gives a perfectly riveting performance as the randy, ruthless octogenarian automobile tycoon from Detroit. Lots of lovely ladies, clothes, cars and sets—and first-class Robbins dialogue. But Olivier steals the show.

Our prize for the best Frs.15 buy of the moment: *Les Toits Dans Le Paysage*, available from all good bookstalls. A book to boast over, to keep for oneself and to give away to anyone who loves old France and the French countryside. Published by Le Mascon de Marie-Claire (which produces the excellent monthly magazine of the same name) it has been lovingly written and researched by Nicole Valléry-Radot with superb photographs by Jean Mounieq.



Pierrot porcelain designed by Michele Caudal for Pillivuyt. Plates start at Frs.25 each, cups at Frs.23. On sale at Porcelaine, rue de Verneuil, 7ème.



From Le Rouvray are these hand-carved, signed and dated decoy ducks from the Great Lakes, Between Frs.200 and Frs.300.

A very rare barometer in replica

Limited edition of 150

Garrard are proud to announce a limited edition of great historical interest: finely hand crafted replicas of a Daniel Quare patent standing barometer, dated circa 1700.

Daniel Quare, one of the great horologists of his day, was also a distinguished maker of scientific instruments. In 1695 he was granted a patent for "a portable weather glass or barometer". The instrument chosen for this edition is a very rare and fine example of his work.

Overall standing height of the replica is 40 inches. The body is in walnut finish, with finely chased gilded metal work.

The edition is limited to 150 only, price £425.

Each barometer will be individually numbered, with a signed Certificate of Authenticity. Applications will be accepted strictly in order of receipt, with deliveries commencing in April and being completed by August.

The Daniel Quare replica barometer may be inspected in the Garrard showroom. Further details will be sent on request.

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Below fever pitch this Easter

[illegible]

The Budget: not a full bowl of cherries

By PETER RIDDELL, Economics Correspondent

MR. DENIS HEALEY, the Chancellor of the Exchequer, had always hoped that 1978 would be the year when (in a characteristic phrase) he would be able to pick the cherries from the tree after the hard years of self-denial since 1974. But the plan has not worked out quite as he might have wished, or indeed expected a couple of months ago.

Admittedly, the economy is, for the first time since 1973, likely to grow by a noticeable, if hardly spectacular, amount and the rate of price inflation is at long last back down into single figures. This presents a more favourable economic background than for the last few years. But the hopes, which were widely entertained last autumn, that the economy would be able to expand for several years on the back of North Sea oil and free of previously constant balance of payments constraints have proved to be short-lived.

Mr. Healey's freedom of manoeuvre is thus strictly limited as he prepares what will almost certainly be his last major spring Budget (with one or more mini-packages possibly still to come). This should not prevent the Budget on April 11 from being the most generous in terms of income tax cuts — that Mr. Healey has introduced. It should provide a net stimulus in 1978-79 of £2bn. or so. But it does mean that the emphasis is likely to be on a cautious approach towards the next year or 18 months.

Deterioration

The reason is principally the deterioration in the external background. Last October, when Mr. Healey presented his mini-Budget, the Treasury was forecasting a large current account surplus in 1978 (about £1.5bn.) with a sharp growth in exports on the basis of a sizeable rise in world trade and an unchanged exchange rate. Both these assumptions have been undermined with the result that a current account surplus for some years can no longer be safely assumed.

The prospect of only a slow growth in world economic activity is the most alarming change since last October. Instead of an increase in world trade in manufactured goods of 9 per cent. in 1978, as projected by the Treasury last autumn, the latest forecasts are for a rise of only half this size.

Indeed, the economies of the main industrialised countries are unlikely to grow in real terms in 1978 by much more than the 3½ per cent. rate achieved last year. That would not be enough to bring down world unemployment.

This outlook, and the threat of a new recession in 1979, accounts for Mr. Callaghan's visit to Washington to press his five-point programme of action — for co-ordinated boosts to demand in all the main economies, for stabilisation of currencies, for energy conservation, for control of capital flows and the avoidance of protectionism.

The U.K. has been pressing for rapid progress to these goals — somewhat to the annoyance of some other members of the EEC — though it now looks unlikely that any significant fresh stimulus to activity will be agreed, or given, until mid-summer at the earliest. The West German Government, to which offers look to contribute a major part of any joint reflationary action, has shown a great reluctance to take, or even to consider, further measures until the late spring.

But even if a joint programme could be agreed at the Bonn economic summit of leaders of the seven major Western countries in late July, the impact would not be felt until the end of the year, and in any case would probably only give a modest boost to growth rates which are already low.

This clearly has worrying implications for a country as dependent on foreign trade as the U.K. with exports of goods and services accounting for roughly a third of Gross Domestic Product. Moreover, the deterioration in trade prospects has occurred at a time when the price competitiveness of British exports has been affected by the rise in the pound. The assumption of an unchanged exchange rate which was made in last October's forecasts was invalidated within days when massive inflows of foreign currency — £3bn. in October alone — forced the Government to stop holding down the exchange rate.

The rise in sterling has been somewhat smaller than many originally hoped, or feared, and indeed the rate has been declining against the major European currencies in recent weeks — there has been a drop of over 4 per cent. in the trade-weighted index against a basket of other currencies since the end of

January. This trend has hardly been mentioned in Whitehall, apart from a whisper, because of the dramatic fall in the pound two years ago which followed the clumsy tactics of the authorities, and because of the results for the dollar of last summer's policy of benign neglect in the U.S.

But the "discreet depreciation," as it has been described in the Treasury, is quietly welcomed and has left the trade-weighted index only 2½ per cent. above its late October level, when the pound was set free, for control of capital flows and the avoidance of protectionism.

While there is considerable controversy about the impact of exchange rate changes, in either direction, on trade performance and on levels of economic activity and inflation, the rise in sterling since last October has not helped the prospects for trade and output later this year.

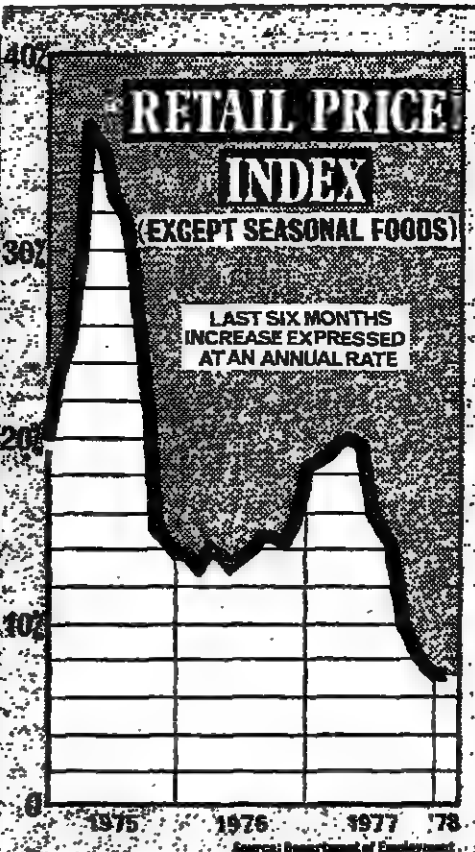
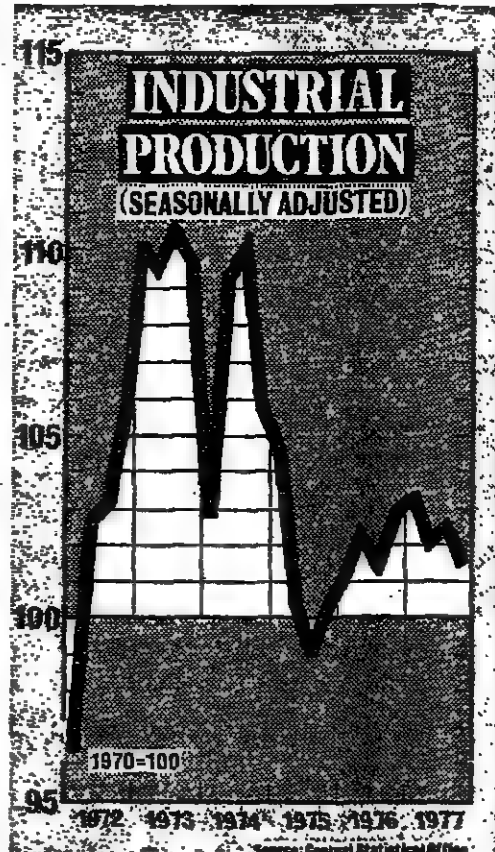
Exchange rate

In the short-term, however, the favourable price effects of a higher exchange rate should keep the current account in substantial surplus while the unfavourable effects on the volumes of both exports and imports should not appear until the second half of the year.

Although most forecasters are still projecting a surplus of £1bn. to £1.5bn. for 1978 this is likely to be heavily concentrated in the first half. On the basis of a likely net Budget stimulus of around £2bn., the pessimists believe that the current account might only be in small surplus, even in deficit, by the end of the year or in the first half of 1979.

But does the current account matter? It is certainly arguable that in a world of large and persistent oil-producer current account surpluses — £35bn. to £30bn. this year — together with a few billion dollars from Japan and West Germany, it would be wrong and unnecessarily contractionary for other countries to set a large current account surplus as a central objective. On this view the U.K. should be able to refinance any deficit without trouble.

The counter view — generally accepted in Whitehall as Mr. Healey made clear earlier this week — is that the U.K. should aim for slightly better than balance on the current account over the next couple of years. This is not necessarily because Britain will actually repay all



of its \$200m. of official debts due between now and the mid-1980s, but because the task of repaying some of the loans and refinancing a large part of the remainder will require the maintenance of a favourable financial climate.

The markets are unlikely to look favourably on a rapid move back into current account deficit so soon after a return to surplus. Ironically, the existence of North Sea oil has made it more, rather than less, important for the U.K. to aim to secure a small current account surplus.

North Sea oil production contributed nearly £1.4bn. to the current account last year, accounting for almost all the improvement and is expected to have a net impact of just over £2.2bn. in 1978, according to the latest estimates from the Organisation for Economic Co-operation and Development. On this view, the fact that the temporary bonus of North Sea oil will more than account for any current account surplus makes it all the more important for the U.K. to avoid a return to deficit.

North Sea oil can be seen essentially as providing a little more flexibility in a tight position.

In domestic terms the existence of the current account constraint means it will be difficult for the U.K. economy to grow by much more than its long-term growth in productive potential without running into deficit. This puts an upper limit of around 3½ per cent. on the short-term rate of growth but unless there is a significant improvement in industrial efficiency. However, a rate of economic growth of 3½ per cent. would not be enough to reduce the level of unemployment, at present 1.4m. for adults, to below 1m. by 1982.

Apart from the external constraint, Mr. Healey also has the need to maintain monetary control with the rate of growth of the money supply running at slightly above the Government's 9 to 12 per cent. target range for the current financial year. It is likely that the target will be changed to a more flexible one for the next financial year, though the upper limit will probably be roughly the same.

This restricts the amount by which the Government can cut taxes and boost its borrowing. At a time when the personal sector and industry will be increasing their demand for bank loans to finance new consump-

tion and investment. It is difficult to balance out the claims exactly but the need to allow for some rise in private sector loan demand will probably restrict the public sector borrowing requirement to some- where below the £5.8bn. ceiling agreed with the International Monetary Fund for 1978-79.

Against these constraints, Mr. Healey faces plenty of pressures for substantial reflation — amounting to between £3bn. and £4bn. — from the TUC and Labour Party. The sluggish level of activity, hardly changed over the last year, high unemployment and the decline in the rate of price inflation — in single figures for the first time for four and a half years — are regarded as having created the opportunity for a significant stimulus.

It is true that significant progress has been made on the inflation front and that the rate of increase in earnings of possibly around 13 to 14 per cent. in the current pay round is a good deal lower than many people feared last summer. While a faster rate of expansion than recently might not re-ignite inflationary pressures immediately in view of the large

amount of spare capacity in industry, many economists and official advisers would place more emphasis on the shortage of skilled staff apparent in many industries and the possibility that the rate of inflation might start rising again anyway in the autumn.

There is also concern about the way in which the recovery is developing with consumer demand rising sharply — up perhaps 4 to 5 per cent. in real terms during 1978 as a whole — but export growth remaining sluggish. The U.K.'s already high level of import penetration has apparently increased further in the last year. During 1977 imports of consumer goods rose by nearly 14 per cent. while spending on U.K. produced items was flat. This is the external constraint with a vengeance. It also limits the incentive for U.K. companies to boost their investment. Some cynics are surprised at the recovery in capital spending so far — up 8 per cent. in real terms in the manufacturing sector in 1977 — though it is mainly of a replacement character.

Stimulus

The official conclusion from the evidence of a pick-up in consumer demand since last autumn, not yet translated into a significant rise in industrial output, is that any budget stimulus should be modest in view of the external constraint. In practice this indicates a sum of around £1.5bn. to £2bn. net in 1978-79, though rather more in a full financial year.

Mr. Healey, while sharing the general official analysis, may not want to be quite as cautious. This is partly because of his understandable scepticism about the forecasts and his political instincts and ambitions in what is likely to be election year. He does not want to have the reputation which Mr. Roy Jenkins, Liberals but also because some additional public spending is being considered by the Cabinet. The size of the additional spending — the timing of the rise in child benefits and the possibility of further expenditure on the Health Service — has not yet been determined and it will not affect the tax cuts.

What Mr. Healey will not be able to do — in the first live radio broadcast of a Budget speech — is to hold out any promises of a substantial drop in income-tax. The Liberal Party in unemployment.

These moves make a significant cut in the standard rate of tax, at present 34 per cent., less likely. Further up the scale Mr. Healey may repeat his action of last year by raising the thresholds of taxable income at which higher rates are paid. While he is being strongly urged to cut the higher marginal rates this would provoke strong opposition from within the Labour Party. In addition, there are expected to be measures to aid small businesses, mainly by raising thresholds for certain taxes.

The whole discussion of the Budget has become very open this year, not only because of the complications of the still-unresolved talks with the Liberals but also because some additional public spending is being considered by the Cabinet. The size of the additional spending — the timing of the rise in child benefits and the possibility of further expenditure on the Health Service — has not yet been determined and it will not affect the tax cuts.

What Mr. Healey will not be able to do — in the first live radio broadcast of a Budget speech — is to hold out any promises of a substantial drop in income-tax. The Liberal Party in unemployment.

Weekend Brief

Far flung

IF YOU live in London and want to holiday this year anywhere west from New York to LA the world is your oyster. Walk up, hop on a jet and for £59 Freddie Laker and the rest of the big boys (at slightly extra cost) will take you there straight away.

Not everyone is quite so pleased with the cheap Atlantic fares. Travellers within Britain complain frequently and bitterly at the high cost of getting around this country, let alone to America. Anyone living in Lerwick, in the Shetlands, has to pay £61.50 just to fly the 700 odd miles to London even before he starts his holiday. And as it is £61.50 to get back, a family of four heading for the Costa has to pay around £500 to reach Heathrow before they even take off on the package tour.

British Airways admits that fares are, mile-for-mile, higher in this country than on the longer, international hauls, but points out in defence that it can get so much more out of a plane on a long-distance run. A big jumbo travelling the world is in the air for 14 hours a day compared with six hours for a short-haul jet. It is down-time, as the airline men describe time on the ground, that costs money.

The real difference though is that internal fares are cost-estimated, whereas some overseas routes, to Scandinavia, for instance, are market related. And the North Atlantic, if one believes, like Laker, offers a low rate, then all the others have to follow suit or lose some of their business.

One striding man said that you have to pay for living far from the centres of civilisation, whether it is £20 for a bottle of beer in Abu Dhabi or £61.50

The best sellers

Gordon Thomas and Max Morgan Witts know a thing or two about writing best-sellers. Their latest book, *Ruin From The Air*, an account of the atomic bombing of Hiroshima, has already sold 3.5m. copies in all editions and will shortly be filmed. Indeed, four of their six books are either being filmed at present or will go into production this year at combined budgets of \$55m.

But when you've done Hiroshima, to say nothing of the volcanic eruption on Martinique and the San Francisco earthquake, what do you turn to next? That was the question they faced last year.

First off, the Playboys Press in New York asked them to write about the battle for Stalingrad, which seemed a good idea until Thomas and Morgan Witts made a few inquiries of their own and discovered there are at present 97 books in print around the world on the battle for Stalingrad. Other publishers suggested they re-attempt the El Alamein campaign or the Lockhead scandal, but there were objections to those ideas, too.

Finally, like all good writers, they caught the next plane to Hollywood, and east. One producer wanted a book about Senator Kennedy's escape at Chappaquiddick. He wanted to call it *A Bridge Too Far*.

for a ticket from Lerwick. This assumes that London is synonymous with civilisation, a premise which not only the burghers of Lerwick would question. Perhaps the answer is a better integrated traffic system, so that instead of having to compete with the railways on short hauls to Manchester or Newcastle the airlines could put more enterprise into serving, and servicing more cheaply, our far-flung isles. Such a policy would bring smiles to a lot of people in Lerwick and Kirkwall and Wick and all sorts of other places.

"Finally," says Thomas, "our producer at Fox, Frank Levy, had The Idea. Levy is 29, looks like a handsome Jerry Lewis, talks soft and is very hot property. He said he would get NBC's research department to test the marketplace for an idea: in other words, a very first time, modern market research techniques would be used to determine what people wanted to read, why they wanted to read it and when they wanted to read it."

Fired by Levy's enthusiasm, NBC ran a series of national market polls and by November they had the answer: people were worried about losing money; people wanted to read about people losing money; people wanted to know how not to lose money.

Further research indicated that 98 per cent. of those polled wanted to read about the Wall Street crash of 1929 — next year is the 50th anniversary. What is more, the research produced the perfect title: *The Day America Died*.

What happened next was a total reversal of the procedure by which authors normally write a book first, sell it to a publisher and finally, if they are lucky, watch it auctioned off to Hollywood. With *The Day America Died*, the process worked in reverse.

First, NBC offered them \$100,000 to write a five-hour mini-series, a sort of Wall Street *Behind Closed Doors*. "We smiled politely," says Thomas, "and said we were authors, not mini-series writers." Quick as an agent's handshake, Levy was back with a counter proposal. Supposing they threw in a feature film as well, re-cut from the mini-series, for world-wide distribution? Were we game? By now we were. We still had no book but we had a film and a TV series.

So they flew to New York for talks with their agent, Jonathan Clowes, and inside a week Doubleday had come up with one of the biggest advances ever paid for a non-fiction book: \$500,000. Next, still working backwards, so to speak, Reader's Digest offered to serialize it and

Egg boxes

Judging by early reports, signs are that the British chocolate confectionery industry suffered something of a setback over the past 12 months. The main cause, doubtless, was the hair-raising escalation of the world cocoa price in the early part of last year. It zoomed on to new records of more than £3,000 a tonne in July. Since then it has tumbled to less than half the peak levels, and is now heading up towards £2,000 a tonne again. At this time two years ago, the price of cocoa was about £750 a tonne.

Industry spokesmen say that following a 5 per cent. increase in sales of chocolate confectionery during 1976 there has been a 2 per cent. drop during the 12 months just passed. Not that the British have stopped indulging their sweet tooth, mind you. They have made up for the setback on costly chocolates by eating 3 per cent. more sugar sweets.

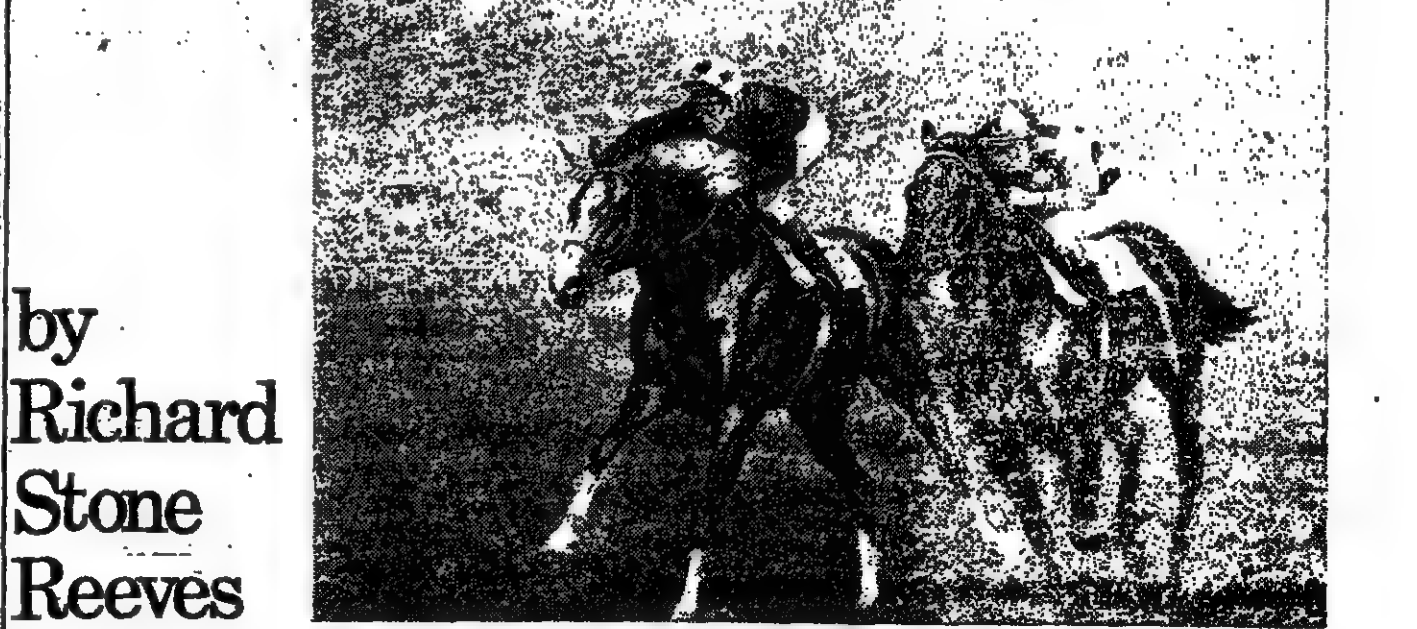
But it is comforting to report that in spite of the fall in sales of chocolate proper, the Easter egg rolls on relentlessly, apparently picking up sales year after year.

Not that the British have stop at that. For example, Rowntree-Mackintosh boasts of spending 50m. Easter eggs to market — 1m. more than last season. And this pattern seems to have been repeated elsewhere in the industry.

At Cadbury Schweppes, where they estimate the total value of the U.K. Easter speciality market at £80m. a year, shipments of "creme" eggs start in early January.

Cadbury Schweppes hopes to sell 200m. of them this year at 9p each. Second most popular egg is the simple, moderately cheap chocolate shell filled with favourite brands of children's sweets and decked out in modish packs with suitable foil, frills, geese and characters from Comic Cuts. Anything, it seems, which will distract the recipient's attention from the thinness of the chocolate shell.

THE MINSTREL'S DERBY



The 1977 Jubilee Derby was unanimously voted European Horserace of the Year. In the opinion of the Selection Committee it was not only the greatest horserace of the season, it was one of the most awesome struggles ever seen on Epsom's historic racecourse.

A superb ride by Lester Piggott enabled The Minstrel, the warrior prince from County Tipperary, to cut down the gallant Hot Grove and Willie Carson just a few yards from the line.

Certainly there was only one jockey in the world who could have beaten Carson that day. And according to Lester Piggott, there was certainly only one painter in the world who could have perfectly captured the moment for ever... the American, Richard Stone Reeves, official artist to the Horserace of the Year project.

Mr. Reeves is widely regarded as the finest painter of the thoroughbred horse in the world, and counts Lester Piggott among his world-wide clientele.

An edition of fine prints of this painting has been made by Mr. Reeves' American publishers. Only 750 were pressed and, as the artist's exclusive European distributors, we have a limited number for sale at £110.70p. each. The quality is superb. The prints were produced on the finest hand-made, French art paper by Triton Press, the renowned New York printmakers who are considered by many experts to be the finest in the world.

At the completion of the edition Mr. Reeves personally signed and numbered each sheet and no further prints of this painting will ever be made again.

The reason we have so few for sale is that Richard Stone Reeves has also been appointed official artist to the U.S. Committee which selects the American Horserace of the Year, and his clients have already bought 400 matching pairs of "The Hollywood Gold Cup" and "The Epsom Derby." If you would like to consider completing your pair, please mark the order form below.

MONDAY — National Association of Schoolmasters and Union of Women Teachers conference opens, Harrogate.

TUESDAY — Mrs. Shirley Williams, Secretary for Education, addresses National Union of Teachers conference, Blackpool.

WEDNESDAY — Quarterly analysis of bank advances (mid-February). Building workers pay talks resume. General and Municipal Workers Union delegates meet on Electricity Council pay offer. Mrs. Shirley Williams speaks at NAS/UTW conference. Wine and Spirit Association

Economic Diary

statement on its Budget proposals.

THURSDAY — Department of Employment Gazette will include unemployment (February-April), employment in the production industries (January), overtime and short-time working in the manufacturing industries (January), and stoppages of work due to industrial disputes (February). Publication of Energy Trends.

FRIDAY — Mrs. Margaret Thatcher, Conservative Leader, at Food and Drink Industries

Council luncheon, Hotel Intercontinental, W.I. Forestry Commission annual report. Confederation of British Industry economic situation committee meets.

SATURDAY — Electricity prices increase. National Giro increases amount available on personal loans and cuts interest charge. Coal to be sold by metric measurement. Higher rates for British domestic air fares. British Airways Authority increases airport landing fees in London and South East — plans for levy on passengers to cover security costs also come into effect.

CONTRIBUTORS

Michael Thompson-Noel

Tony Moreton

Christopher Parkes

Reeves has caught the duel from a striking vantage point — hard against the running rail, 30 yards out — just as the two straining colts burst over the crest of Epsom's final hill. Piggott's whip slashes down with brutal urgency, The Minstrel, his head held low, trying his very best, bravely jams his white face in front for the first time.

The Print Gallery Old Surrenden Manor, Betherdsen, Kent Telephone: Betherdsen 544

☐ Please enter my subscription immediately for "The Minstrel's Derby". I enclose my payment of £110.70p.*

☐ I am also interested in the American print — please send me the brochure.

Name _____

Address _____

*U.K. order: price includes V.A.T. and delivery Overseas orders: price includes insured air mail postage; refunds will be given where possible.

Last year's matching pair, "Pawnee" and "Forego" doubled in value on the New York market in eight weeks.

BMK £0.17m. loss after six months

At home, consumer demand was very disappointing, say the directors. In overseas markets sales were affected in the REC

group products in the forthcoming months, they state.

● **comment**

With the carpet industry still suffering the effects of over capacity and low demand, BAK has followed last year's \$0.36m

group products in the forthcoming months, they state.

● **comment**

With the carpet industry still suffering the effects of over capacity and low demand, BAK has followed last year's \$0.36m

second half loss with another deficit, this time of \$0.15m. First half sales are down nearly a tenth and reflect a volume slide of about 15 per cent. In Canada, where the contract market is particularly depressed, there was a turnaround from a profit of \$75,000 to a loss of £70,000, while

the usually buoyant export division's profits dipped from £3.3m to £2.15m. In addition, the company did not have the benefit of the now withdrawn Regional Employment Premium, which previously amounted to £0.3m a year. With demand at its current low level it is difficult to see how

the company can avoid incurring further losses in the second half. There is the possibility of some recovery following an increase in disposable incomes but volume sales will have to jump at least 18 per cent. for BMK to break even over the year. At 23p the shares give a market valuation of £1.6m.

**fall leaves
pay at £0.31m.**

The net interim dividend is raised to 2p (1.378125p) to reduce disparity. For 1978/79 the final was 3.22311p.

**increases
to £0.63m.**

taxable profit of Jameson Chocolates, confectionery manufacturer shows an advance from £593,640 to a record £834,373 for 1977. Turnover expanded from £4.62m. to £6.45m. and tax took £324,738 against £300,061. Earnings per 10p share are shown to have risen from 11p to

Woodhouse
& Binson

& Rixson outlook

Although the directors of Woodhouse and Rixson (Holdings) continue with a policy of broadening its base by acquisition, more effort is going into the develop-

Members are told in his annual statement that in those areas where the company has incurred losses in the past two years, these will almost certainly have been eliminated by the middle of 1973.

He reports that there are some signs of modest increases in profitability for open die forgings, so there is every prospect that the spring and trailer divisions will continue to add to the company's profit.

As reported on March 1, pretax profit dropped from \$525,000 to \$198,000 for 1967.

A statement of source and application of funds shows liquid funds decreased by £199,000 (£1,574,000) at year end.

[illegible]

fixed interest market. Still, it's income that you want this trust certainly offers it—to an investor with a minimum of \$300.

The choice for those seeking capital growth rather than income

is limited this week to an expression of faith in the U.S. economy. Both M and G, with its American and General Fund, and Chieftain, with its American Trust, take the view that although the bottom of the market may not yet have been reached, the downside potential is a great deal less than that which

able on the upside. You can invest in M and G's fund by way of either a lump sum (minimum £500), or a life assurance linked contract (minimum £10 a month). Chieftain requires a minimum of £250, but there is a monthly savings plan available as well.

Finally, a reminder from it and G that those who would benefit in respect of tax relief on life policies taken out in the current fiscal year, had better put their skates on. Qualifying policies taken out before April 6 may be backdated to the beginning of this fiscal year, and the capital sum paid on

cover backdated premiums will qualify for tax relief. A choice of life insurance linked investment in either M and G Recovery, or M and G General Trust Fund is available.

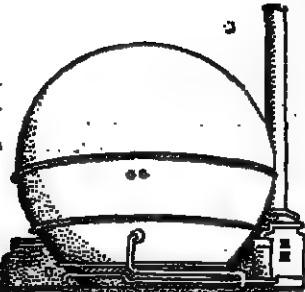
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THE WHITE HOUSE AND THE ARTS

New faces on view at Camelot

By NANCY DUNNE in Washington

PRESIDENT Jimmy Carter, his wife Rosalynn, and the governors of the U.S. states were enjoying the last strains of the Merry Widow waltz at a ball when Miss Beverly Sills, the opera singer, advanced towards the President with arms extended, and, still singing, waltzed him around the East Room of the White House. "He kept saying 'beautiful, beautiful,'" Miss Sills later told reporters, who promptly wrote up the scene as an unforgettable moment in White House entertainment.

The evening was one of many Carter White House events, featuring some of the best of American performing artists. The Carter administration is not quite a rebirth of the Camelot of the Kennedy Era. It lacks John F. Kennedy's sophistication, Mrs. Jacqueline Kennedy's elegance, and the polished ease with which both set the tone of glamour that fascinated the world in the early 1960s. None the less, the country-born Carters show an interest in the arts which has not been matched since the days of the Kennedys.

Social Washington has been caught off guard. It had noted the Carters' fondness for stock car racing and the President's liking for blue jeans and country and western music. It had given a collective shudder

when, before the inauguration, Mrs. Carter said that square dancing in the East Room might be good fun.

Social Washington uttered about Mrs. Carter's ban on liquor at White House entertainments. It huffed at Amy Carter's appearance at state banquets, book in hand—and on the table.

It expected grins and black-eyed peas, both Southern specialties, and peanut punch. Instead it has seen a President who enthusiastically attends the opera, recently both Madame Butterfly and the Barber of Seville; regularly visits Washington's cultural showplace, the Kennedy Centre for the Performing Arts.

A Carter style has evolved which is relaxed without being homespun. The President has given up carrying his own luggage onto aircraft. After he had taken office that had seemed more ostentatious than his evident liking for music and literature. The First Lady pursues her own interests (mental health, the problems of the elderly, urban issues) with a business-like charm, and her staff has been regularly producing a dazzling array of performers to star at White House events.

The most electrifying presentation thus far, broadcast on Public Television, was Vladimir

Horowitz's Golden Jubilee piano concert. One of Mr. Carter's first musical requests upon assuming office was for a concert by the virtuoso, who now performs no more than 20 times a year and then only at 4 pm. on Sundays.

The date chosen was the anniversary of Horowitz's first White House performance, given before President Herbert Hoover. The pianist held his audience spellbound with selections from Chopin, a composition of his own (and a rendition of the U.S. National Anthem).

Although the President includes among his friends a rock singer like Greg Allman and admires Bob Dylan, a writer of folk music, he has displayed a decided preference for the classical. At the Carters' first state dinner, for President Lopez Portillo of Mexico, Rudolf Serkin played the piano. The Israeli Prime Minister, Mr. Menachem Begin, on two visits to Washington, heard string quartets. Crown Prince Fahd of Saudi Arabia was entertained to stringed baroque.

The President is a voracious home study courses in music reader, and an admirer of the and art appreciation. Mrs. Carter still takes a few hours poetry of Dylan Thomas. Carter each day to learn Spanish. During his service in the U.S. Navy, he and Mrs. Carter—who intimates say are "compulsive self-improvers"—subscribed to arts in the person of Mrs. Joan



Vladimir Horowitz (right) welcomed by Jimmy Carter before giving a recital at the President's special request.

Mondale, wife of the Vice-presidential government funding for struggling young artists and who has won the nickname community groups. "Joan of Art," Mrs. Mondale, After more than a decade out of the cold, artists and performers are once again feeling written a book on Politics in farmers are once again feeling that they have friends at court.

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BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 23.

A MIXED trend prevailed in a generally uneventful session on Wall Street today with only scant attention paid to a hefty jump in mid-March car sales reported by the nation's largest manufacturers.

The Dow Jones Industrial Average shed 1.04 to 756.30, making a loss of 12.31 over the shortened holiday week, while the NYSE AM Common Index, at 549.86, lost 3 cents on the day and 39 cents on the week. Rises led falls by 702-to-814, while the trading volume further decreased 660,000 shares to 32.29m.

Investors were reluctant to make any commitments ahead of

Ranking high among these issues this week was inflation and growing market concern the Government might move closer to Wage/Price Controls.

General Motors put on \$1 to \$601 on a rise of 81.9 per cent in mid-March car sales. Chrysler picked up \$1 to \$111 on a 19 per cent increase, while Ford declined \$1 to \$443 on a 12 per cent rise in sales.

Hardee's Food Systems rose \$1 to \$181-1/2 as it is merged into PET Inc. up \$14 to \$381.

THE AMERICAN SE Market Value Index rose 0.53 to 128.01.

THURSDAY'S ACTIVE STOCKS

Stock	Change
Am. T. & T. P. B.	26.70
Bank of America	22.00
Boeing	22.00
Chrysler	22.00
General Motors	22.00
IBM	22.00
Johnson & Johnson	22.00
McDonald's	22.00
Merck	22.00
Microsoft	22.00
Procter & Gamble	22.00
Union Pacific	22.00
Wells Fargo	22.00
Western Union	22.00
Yale	22.00

OTHER MARKETS

Canada firm

Canadian Stock Markets were generally firm in moderate trading last Thursday, with the Toronto Composite Index up 2.0 at 104.63.

The Oil and Gas Index gained 7.5 to 139.53, Golds 4.4 to 139.44, Utilities 0.34 to 164.29 and Papers 0.28 to 103.07. But Banks shed 0.54 to 247.19 and Metals and Minerals 0.3 to 88.93.

PARIS—Easier but above early lows in quiet trading.

AMSTERDAM—Mixed in quiet trading.

Philips rose 0.30 ahead of its 1977 results.

State Loans steady.

GERMANY—Prices firmed, helped by stronger tone in Bond Market.

Leading Banks, Chemicals, Electricals and Motors advanced.

Bonds firmer with Public sector putting on up to 65 pfennigs.

Regulating Authorities sold stock with nominal value DM17.7m.

Mark Foreign Loans steady.

MILAN—Most prices rallied yesterday.

Fiat rose 1.20 on rumours of a buy-out.

OSLO—Closed last Thursday.

VIENNA—Quietly steady.

HONG KONG—Firm in active trading.

JOHANNESBURG—Gold shares mixed in quiet trading.

Durban Deep shed 150 cents to 410 on further consideration of chairman's statement on mine prospects.

Financial Minings steady at higher levels.

Other Metals and Minerals had mixed trading.

Industrials steady.

TOKYO—Slightly lower. Volume 230m. shares.

Some Electricals, Vehicles and Cameras eased on reports — Bank of Japan intervened in Foreign Exchange Market to support dollar.

Nippon Gaseo rose 734 to 390 and Green Cross 770 to 1,550.

AUSTRALIA — Markets recovered to close mixed.

20-1 Jones Concrete rose 4 cents to \$4.17 on its planned expansion in U.S.

Sugars eased on falling London price.

P & O gained 13 cents to \$42.40 on its results.

Indices

NEW YORK—DOW JONES

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	756.30	757.34	752.82	775.80	780.77	782.82	756.78	781.77	41.22
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10
NYSE AM	549.86	550.86	548.86	550.86	550.86	550.86	549.86	550.86	0.10

MONTREAL

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

TORONTO Composite

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

JOHANNESBURG

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

STANDARD AND POORS

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

MONTREAL

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

TORONTO Composite

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
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NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

JOHANNESBURG

Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	High	Low	High	Low
Industrial	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10
NYSE AM	171.32	170.72	171.84	172.11	172.11	172.11	170.72	172.11	0.10

F.T. CROSSWORD PUZZLE No. 3,626

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Name _____ Address _____

Name _____ Address _____

Advance at Philips though exchange charge rises

U.S. Markets

in Paris

by surprise. The sort of funds now being sucked into the bond market could begin to pose a threat to equities which showed signs of weakening for most of last week.

In Stockholm, the Kingdom of Sweden is expected to issue an open-ended short-term bond

Chrysler debt rating

silver up; cocoa firm

1425. May 120.16, July 137.40, Sales: 841. lots.

Coffee—No. 1 contract: March 190.00, 177.00, May 137.13-138.49, 138.64, July 138.64, Sept. 132.00-133.00, 133.00-135.56-125.00, Aug. 113.56-117.00, July 113.30-118.00, Sales: 907.

Copier—March 29.30, 26.30, April 38.48, 138.00, May 39.90, July 69.00, Sept. 61.80, 62.50, April 63.90, May 64.00, May 62.50, July 62.50, Sept. 62.50, Dec. 62.40, Jan. 63.90, Sales: 4,990 lots.

Cotton—No. 2, May 31 00.57-100.25, 100.25, July 31.24-30.43, 29.57, Oct. 60.10, Dec. 60.78-72.73, March 61.61-62.63, May 61.43-61.77, July 62.25-62.50, Sept. 63.00-63.00.

Gold—March 149.60, 130.10, April 140.80, 130.20, May 182.10, June 153.40, Aug. 188.90, Oct. 184.78, Dec. 101.60, Feb.

131lbs.-May 25-331; 1245; July 213-
251; 1250; Sept. 354, Dec. 358-367,
March 261, May 266-287.

96lb. -April 210-75-60 1219-90;
July 211-68-220 60; 225 90; Oct. 224-90-220;
Jan. 230-10-220 60; April 234-60-234 60; July
236-60-234 60. Salts: 890 lbs.

95lb.-March 229 60, 525 60, April
329 50 526 30, May 371 50, July 341 20,
Sept. 349 60, Dec 361 50, Jan. 363 50,
March 374 50, May 381 20, July 386 60.

[illegible]

01a. \$5 SC per tonne.

Financial Times Saturday March 25 1978

Table with multiple columns listing various financial instruments, companies, and their associated values or prices.

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MONEY + EXCHANGES

Bill rate higher

Bank of England Minimum Lending Rate of 6 1/2 per cent (since January 5, 1978). The Treasury bill rate rose by 0.0375 per cent to 5.555 per cent.

Table with multiple columns listing various financial instruments, companies, and their associated values or prices.

EXCHANGES AND BULLION

Sterling fell sharply in thin trading in the foreign exchange market on Thursday.

EURO-CURRENCY INTEREST RATES

Table with multiple columns listing various financial instruments, companies, and their associated values or prices.

U.K. CONVERTIBLE STOCKS 22/3/78

Table with multiple columns listing various financial instruments, companies, and their associated values or prices.

STOCK EXCHANGE REPORT

Pre-Easter session finishes on a quietly dull note
Equity index loses 2.1 at 460.5—Rally in Golds continues

Account Dealing Dates

Option
First Declared Last Account
Dealing Date
Mar. 15 Mar. 30 Mar. 31 Apr. 1
Apr. 3 Apr. 13 Apr. 14 Apr. 25
Apr. 17 Apr. 27 Apr. 28 May 10
New time deals may take place
from 9.30 a.m. on business days
Equity stock markets continued
the Wednesday's downward drift
to close the second leg of the long
winter account with losses in
leading issues of a few pence.
The mild bout of Budget
optimism, which had stimulated
a buying enthusiasm earlier in the
week, failed to re-materialise and
most sectors gave further ground
on occasional small offerings and
the reluctance of operators to
enter into fresh commitments
despite the four-day closure.
Two FT index stocks, however,
sustained above-average falls.
APC reacting to 233p on insti-
tutional liquidation which accom-
panied talks that a broker had
reverted his opinion of the stock
to a similar fall in Tate and
Lyle, to 194p, followed revived
selling in an unwilling market.
This accounted for part of the loss
in the FT 30-share index, which
closed 2.1 down at 460.5, but was
still up 3.3 over the four trading
days.

Despite the paucity of business,
a few features emerged which
helped provide relief from the
general tedium. The surprising
turn of events in the Henry
Wigfall/Comet Radiovision bid
situation rekindled considerable
interest. Comet's claim to have
increased acceptance of slightly
over 40 per cent, compared with
only 23.3 per cent, the previous
day, a development which trans-
formed recent bids from a mere
offer having little chance of
success and forcing Wigfall 21
higher to 233p.

Elsewhere, Gold shares rallied
further after the recent setback
on fears of possible U.S. Treasury
sales of gold. Revised U.S.
preliminary results are due on
April 6. In Breweries remained at
a low ebb. Allied was untried
at 91p, while A. Guinness
hardened a penny to 175p.
Boddingtons, however, eased 2
to 180p following Press comment on
the results. Elsewhere Distillers
firmly a penny to 177p helped by
an investment recommendation.
Maclean Glenlivet, at 500p, made
no response to the increased first-
half profits.

Sterling affects Gilt

Sterling's uninspiring trend in
foreign exchange markets was
thought to be largely responsible
for scattering of British
Funds and quotations drifted
lower at the longer end. Switching
operations contributed to a
generally meagre level of business
as most operators were prepared
to defer any potential commit-
ments until the market recom-
mences trading next Tuesday. The
situation was very similar among
the shorts where sentiment was
also affected by the higher
interest rate on this week's offer-
ing of Treasury bills, although
Minimum Lending Rate remained
at 8 per cent. Corporations
restarted the slightly easier trend

in the main funds and several
issues moved up 1, while Southern
Rhodesian bonds often rose a
couple of points as dealers
brought their bid and offer levels
into line; little actual trade was
reported and the 2 1/2 per cent
1985-70 bond closed 2 points
higher at 880.
A combination of sterling's late
easiness and the vigorous efforts
of one rather large buyer pro-
duced a fillip in the investment
currency premium to 100 per cent
before a subsequent softening to
99 1/2 per cent for a net gain of a
point. Earlier business had been
more evenly balanced at only
slightly increasing rates. Yester-
day's SE conversion factor was
0.8822 (0.8912).

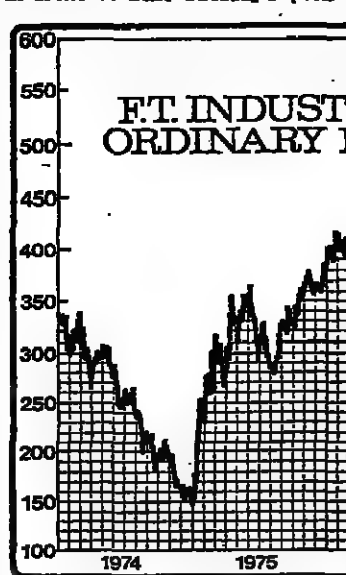
After Thursday's impressive de-
bacle, interest in Sage Holidays
subsided and the close was un-
altered at 120p, after 121p, a pre-
mium of 15 on the offer for sale
price of 105p.

Discounts easier

Discounts encountered late sell-
ing and closed lower throughout.
Alexanders, 255p, and Cater
Ryder, 252p, lost 10 apiece, while
Gerrard and National declined 5
to 165p as did Gillett Bros. to
215p. Smaller price issues to give
ground included King and Shax-
son, 65p, and Smith & Avery,
75p, both 3 lower. The major
clearers were steadier after Wed-
nesday's dullness that stemmed
from the Nigerian Government's
decision to order the withdrawal
of all public funds from Barclays
Bank of Nigeria and a reduction
in the number of foreign em-
ployees. The bank's shares were
previously down 10p, but were
held and the overnight level of
330p bid Lloyds and NatWest
cheapened 2 to the common level
of 268p.

Adverse Press comment on the
results prompted a further fall
of 4 to 112p in C. T. Bowring.
Elsewhere in insurance, the
results of possible U.S. Treasury
sales of gold, revised U.S.
preliminary results are due on
April 6. In Breweries remained at
a low ebb. Allied was untried
at 91p, while A. Guinness
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to 180p following Press comment on
the results. Elsewhere Distillers
firmly a penny to 177p helped by
an investment recommendation.
Maclean Glenlivet, at 500p, made
no response to the increased first-
half profits.

Richards and Wallington, 85p,
both put up 2, while Press
comment helped Bostock Johnson
edge forward a penny to 145p.
Profit-taking however, clipped 2
from Wilson (Connolly) at 133p.
Coates Brothers were marked
down following profits below
market expectations, the Ordinary
and A both closing 2 lower at
64p and 63p respectively. ICI
eased 3 to 355p and Fisons
cheapened 8 to 337p. In contrast,
Bentley Chemicals gained 4 to 185p
in front of next Tuesday's pre-
liminary results, while Jones and
Shipman



minary results and Stewart
hardened 2 more to 137p on
small buying.

H. Wigfall rebound

The Henry Wigfall/Comet
Radiovision bid situation began to
intrigue through the latter claim-
ing an increased acceptance of the
offer and, reflecting the prospect
of a much higher cost, the share
price rose 10p to 233p. The
Henry Wigfall rose to 243p in
brisk trading before closing 21
better on balance at 233p; a
discount still of around 40p on
the Comet Radiovision offer with
the latter a penny harder at 107p.
Elsewhere in electricals, F. W.
Thorpe, edged forward 3 to 60p
on further consideration of the
results, while dollar premium
influences helped Sony rise 7 to
567p and Philips Lamp harden
15 to 865p. Racial Electronics con-
trasted with a fall of 12 to 215p,
while losses of 4 were seen in
both Ever Ready, 145p, and
Ever Ready, 145p.

Leading Stores plotted an
irregular course in thin trading.
W. R. Smith "A" improved 3
to 180p and UDS edged forward a
penny to 90p, but House of Fraser
reacted 2 to 145p. Elsewhere,
Acquascent, 36p, and the "A",
36p, rose 3 and 2 respectively.
Still drawing strength from
Tuesday's good preliminary

results, W. and K. Turner put on
a penny more to 35p, while
Pittard, at 65p, achieved a Press-
inspired rise of 3.
Motivated afresh by its award
of a 525m. rig contract, Matthew
Hall closed a further 8 higher at
190p. Buying in a thin market
helped Baskerville, the Ordinary
and A both closing 2 lower at
31p, still reflecting a recent in-
vestment recommendation. Aurora
gained 3 to 94p. Glyndwr
moved up 3 to 111p following the
sale of its steel sheet division,
while Jones and Shipman

week of 13 following the prelimi-
nary figures. A sharp after-hours
rise of 16 to 235p in Siebens
Organisation which fell to 236p
before closing 12 down on the day
at 236p. Other Miscellaneous
Industrial Leaders had little to
offer and drifted gently lower in
thin trading. Becciam eased 2 to
625p and similar losses were seen
in Glaxo, 555p, and Unilever, 422p.
Elsewhere, a resurgence of specu-
lative buying on hopes helped
Oscar Corp. up 6 to 112p, while
Wood and Sons were favoured at
38p, up 54. J. F. Nash Securities
gained 5 to 80p in a thin market,
while improvements of 3 were
seen in Electrical and Industrial
Securities, 441p, and City & West
250p, and White Child Rosey, 77p.
Having fallen 12 the previous day
following news of a subsidiary's
unqualified losses, Barrow
Hebburn edged tentatively for-
ward to 36p before reverting to
the overnight level of 36p.
Friedland Doggart cheapened 3 to
90p on the annual results, and
losses of 4 and 5 respectively
were recorded in Katal, 90p, and
Granada "A", 85p.

Editors and Distributors had
little to commend them. Rolls-
Royce, at 834p, closed a shade
easier following Wednesday's gain
of 3 which followed news of the
dividend forecast and capital
proposal. Title of Leeds, a good
market of late on the preliminary
figures, shaded 2 to 61p, while
further consideration of acqui-
sition news clipped a penny from
T. C. Cowie, 51p, and R. Reynolds,
currently in receipt of a 45p cash
offer from Oakstone, a private
company owned by Mr. T. J.
Clemence, eased a penny to 43p.
Manchester Carages, the original
bidders, finished marginally
cheaper at 28p.

Newspapers and kindred trades
closed with small irregular price
movements after an idle trade.
Ahead of next week's prelimi-
nary profit announcements, the
next Tuesday and Friday, United
Newspapers and Thomson held
steady at 326p and 210p respec-
tively. Liverpool Daily Post edged
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comment on the record earnings
but recent speculative favourite,
Mills and Allen, ran out of steam
and softened 3 to 192p.

Leading Properties again passed
a quiet day, generally untried,
remained at overnight levels, but
secondary issues were notable for
weakness in Centrovital Estates
on the unexpected first-half loss
of 4p, and around the best level.
J. Macklow encountered small
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of interim figures, due next
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Only steady for most of the
day, leading Oil developed a
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British Petroleum edged higher
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FINANCIAL TIMES STOCK INDICES

	Mar. 23	Mar. 24	Mar. 25	Mar. 26	Mar. 27	Mar. 28	Mar. 29	Mar. 30	Mar. 31
Government Sec.	75.37	75.44	75.38	75.37	75.35	75.35	75.35	75.35	75.35
Fixed Interest	75.37	75.44	75.38	75.37	75.35	75.35	75.35	75.35	75.35
Industrial Ordinary	460.5	460.5	460.5	460.5	460.5	460.5	460.5	460.5	460.5
Industrial	158.5	158.5	158.5	158.5	158.5	158.5	158.5	158.5	158.5
Ord. Div. Yield	8.86	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85
Savings Fund (100%)	17.29	17.23	17.02	17.01	17.01	17.01	17.01	17.01	17.01
Div. Yield (100%)	8.12	8.10	8.09	8.09	8.09	8.09	8.09	8.09	8.09
Dividends	5,462	5,475	5,475	5,475	5,475	5,475	5,475	5,475	5,475
Equity turnover	85.19	79.98	85.94	85.94	85.94	85.94	85.94	85.94	85.94
Equity turnover	14,997	18,889	14,076	18,889	14,076	18,889	14,076	18,889	14,076

10 a.m. 462.5, 11 a.m. 461.4, Noon 460.7, 1 p.m. 460.5
2 p.m. 460.5, 3 p.m. 460.5, 4 p.m. 460.5
Based on 32 per cent. corporation tax. *ND=Not
Data. 100 Govt. Sec. 175/75, 100 Ind. 158.5, 100 Ord. 17.35. Gold
Miner 17.35. SE Activity Sub-Index 158.5. Corrected.

HIGHS AND LOWS

	1977/78	Since Completion	1977/78	Since Completion
	High	Low	High	Low
Govt. Sec.	75.37	75.35	75.37	75.35
Fixed Int.	75.37	75.35	75.37	75.35
Ind. Ord.	460.5	460.5	460.5	460.5
Gold Miner	17.35	17.35	17.35	17.35

S.E. ACTIVITY

	1977/78	Since Completion	1977/78	Since Completion
	High	Low	High	Low
Govt. Sec.	75.37	75.35	75.37	75.35
Fixed Int.	75.37	75.35	75.37	75.35
Ind. Ord.	460.5	460.5	460.5	460.5
Gold Miner	17.35	17.35	17.35	17.35

improvement on the week follow-
ing news that the CSO intends to
impose a 40 per cent. surcharge
on prices of rough stone at next
week's "right".
In Australia a further burst
of speculative buying saw
Northern Mining soar 13 more to
30p, after 33p; on Tuesday the
shares were 9p. The company has
a 5 per cent. interest in a con-
sulting engaged in diamond
exploration in the Kimberly
region of Western Australia.
Consolidated Industries which has a 3.6
per cent. interest in the venture,
were steady at 168p, a rise on the
week of 10. Yesterday the
25p share announced the estab-
lishment of a processing plant to
treat samples.

BANK RETURN

	1977/78	Since Completion	1977/78	Since Completion
	High	Low	High	Low
Govt. Sec.	75.37	75.35	75.37	75.35
Fixed Int.	75.37	75.35	75.37	75.35
Ind. Ord.	460.5	460.5	460.5	460.5
Gold Miner	17.35	17.35	17.35	17.35

Pay group cool

on comparison
A SUGGESTION by MPs that top
civil servants' salaries should be
compared with those of top
executives in outside organisa-
tions, to establish the rate for the
job, was given a lukewarm recep-
tion by the Review Body on Top
Salaries yesterday.

Commenting on the report of
the Commons Expenditure Com-
mittee on the Civil Service, the
review body said that such a
comparison in their jobs that
direct comparison in salaries was
often inappropriate.

A balance had to be struck
between the relative degree of
job security, potential financial
rewards and accountability of the
two groups.

Lancia scheme

A NEW low interest finance
scheme by Lancia is to start in
April. It will be offered at a flat
rate of 6 per cent a year, equiva-
lent to a true rate of 11.7 per
cent.

RISES AND FALLS

	Yesterday	On the week
British Funds	Up 1.5	Up 1.5
Foreign Bonds	Down 0.5	Down 0.5
Equity	Down 2.1	Down 2.1
Industrial	Down 2.1	Down 2.1
Government	Up 0.5	Up 0.5
Gold	Up 0.5	Up 0.5
Oil	Up 0.5	Up 0.5
Plantation	Up 0.5	Up 0.5
Recent Issues	Up 0.5	Up 0.5
Total	Up 1.5	Up 1.5

ACTIVE STOCKS THURSDAY

No.	Denomina- tion	Closing price (p)	Change	1977-78	1977-78
1	Shell Transport...	235	10	235	235
2	Burmah Oil...	11	13	11	11
3	BP...	11	13	11	11
4	De Beers Deft...	11	13	11	11
5	BECCAM...	235	10	235	235
6	Beecham...	235	10	235	235
7	RTZ...	235	10	235	235
8	ICI...	235	10	235	235
9	Bank of Cyprus...	235	10	235	235
10	Cons. Gold Fields...	235	10	235	235
11	Distillers...	235	10	235	235
12	GUS A...	235	10	235	235
13	Plessey...	235	10	235	235
14	Reed Int'l...	235	10	235	235
15	Wigfall (H.)...	235	10	235	235

The above list of active stocks is based on the number of bargains
recorded yesterday in the Official list and under Rule 163(1) (a)
and reproduced today in Stock Exchange dealings.

ON THE WEEK—

	No. of marks	Closing price (p)	Change this week	1977-78 high	1977-78 low	
BP	£1	00	754	+10	666	720
Shell Transport...	£3p	60	523	+17	933	434
ICI	£1	48	365	+10	448	325
Reed Ind.	£1	48	118	+2	830	129
Burmah Oil	£1	40	47	+2	83	41
Beschem	£33p	36	623	+5	693	373
EEC	£23p	36	448	+1	284	162
SATs Deft.	£25p	33	187	+20	285	202
De Beers Deft...	£23p	34.05	343	+18	947	53
Cons. Gold Fields	£25p	31	178	-1	224	157
Trans. Met.	£50p	81	103	+2	120	63
Plessey	£50p	30	98	+3	117	53
W&A	£1	20	141	+4	234	141
Warks & Spencer	£3p	29	149	+2	173	99

OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

Donations and information:
Major The Earl of Ancaster,
ACVO, TD., Midland Bank
Limited, 60 West Smithfield
London EC1A 9DX.

**British Limbless
Ex-Service
Men's Association**
"GIVE TO THOSE WHO GAVE - PLEASE"

INSURANCE BASE RATES	
† Property Growth	7 1/2%
† Vanbrugh Guaranteed	6.57%

† Address shown under Insurance and Property Bond Table.

FINANCE, LAND—Continued

International Financial	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
DAIWA SECURITIES																		
MINES-Continued	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
CENTRAL AFRICAN																		
AUSTRALIAN	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
TINS																		
COPPER	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
MISCELLANEOUS																		
NOTES	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
TEAS																		
India and Bangladesh	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
Sri Lanka																		
Africa	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
MINES																		
CENTRAL RAND	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
EASTERN RAND																		
FAR WEST RAND	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
O.F.S.																		
FINANCE	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
DIAMOND AND PLATINUM																		
OPTIONS	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
3-month Call Rates																		
REGIONAL MARKETS	High	Low	Stock	Price	Chg	Vol	Div	Yld	P/E									
The following is a selection of London quotations of shares																		
ISSUES, most of which are not officially listed in London,																		
and are not included in the official list of companies																		
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